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99TH CONGRESS } SENATE { REPORT
2d Session } { 99–443

# FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATION BILL, 1987

SEPTEMBER 16 (legislative day, SEPTEMBER 15), 1986.—Ordered to be printed

Mr. KASTEN, from the Committee on Appropriations,
submitted the following

# REPORT

[To accompany S. 2824]

The Committee on Appropriations reports to the Senate the bill (S. 2824), making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1987, and for other purposes, and presents herewith an explanation of the contents of the bill.

*Amounts in new budget authority*

| | |
|---|---|
| Fiscal year 1986 appropriations | $14,535,881,215 |
| Fiscal year 1987 amended budget estimate | 15,474,534,125 |
| Amount of bill reported to House | 12,985,171,284 |
| Amount of bill as reported to Senate | 13,049,963,960 |
| Bill as recommended to Senate compared to: | |
| 1986 appropriations | −1,485,917,255 |
| Amended budget estimate | −2,424,570,165 |
| House Committee reported bill | +64,792,676 |

5183-12

SUMMARY TABLE: AMOUNTS IN NEW BUDGET AUTHORITY

| Item | Budget estimate | House reported bill | Recommended by Senate committee | Increase (+) or decrease (−), Senate bill compared with | |
|---|---|---|---|---|---|
| | | | | Amended budget estimate | House reported bill |
| Economic assistance—Multilateral | $1,578,002,125 | $1,260,444,000 | $1,043,657,676 | −$534,344,449 | −$216,786,324 |
| Economic assistance—Bilateral | 6,852,252,000 | 5,820,873,000 | 6,560,783,000 | −291,469,000 | +739,910,000 |
| Military assistance | 6,726,280,000 | 4,987,523,284 | 4,987,523,284 | −1,738,756,716 | |
| Export assistance | 318,000,000 | 16,331,000 | 20,000,000 | −298,000,000 | +3,669,000 |
| Export-Import Bank of the United States | (12,019,175,000) | (12,267,568,000) | (12,919,175,000) | (+900,000,000) | (+651,607,000) |
| Budget authority scoring | | 900,000,000 | 438,000,000 | +438,000,000 | −462,000,000 |
| Total, fiscal year 1987 | 15,474,534,125 | 12,985,171,284 | 13,049,963,960 | −2,424,570,165 | +64,792,676 |

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# A LOOK AT THE SIZE AND DIMENSIONS OF U.S. FOREIGN ASSISTANCE

To better understand the dimensions of the U.S. Foreign Assistance Program, the Committee is again including in its report tabular information showing the amounts of resources transferred to foreign nations in fiscal year 1985, fiscal year 1986, and the amount proposed to be transferred in fiscal year 1987. Table I helps to better inform the Congress and the American people about the size of the U.S. foreign assistance effort, which otherwise is only seen in several different parts.

Despite these figures, which show a significant absolute foreign assistance effort, there are many who continually criticize the United States for not providing enough foreign assistance dollars. Usually this criticism is presented in comparisons with other countries on the percentage of gross national product devoted to foreign economic assistance. Such a comparison is grossly misleading, for it presents only a partial reflection of the total contribution made by the American taxpayer to the safety and general welfare of the world's developing countries. It must be underscored, therefore, that in addition to our economic and military assistance programs, the United States continues to shoulder the major burden of defending the free world. In fact, as the following table II shows, the United States spends more on the defense of itself and the Western World than all of the other Western countries shown on the table combined. It is worth pointing out that several of the countries listed in table II direct their foreign assistance programs to former colonies, neighboring countries or trading partners, while the United States' program is worldwide in scope and does not exhibit the degree of parochial bias evident in the programs of many other donor countries. As this Committee pointed out in its report accompanying the fiscal year 1980 appropriation legislation, comparisons using only net official development assistance as a percentage of GNP "robs such comparisons of any intelligible meaning and makes it impossible to judge the inadequacy or excessiveness of U.S. foreign assistance."

Table III is included to show the continuing large portion of the cost of international banks and other multilateral organizations funded by the United States.

## TABLE I.—TRANSFER OF U.S. RESOURCES TO FOREIGN NATIONS

[In millions of dollars]

| | Fiscal year— | | |
|---|---|---|---|
| | 1985 (actual) | 1986 (estimate) | 1987 (proposed) |
| Military assistance | [1]7,637.1 | [2]6,750.4 | 7,238.6 |
| Economic assistance | [1]13,140.0 | [2]8,734.7 | 9,548.7 |
| Total foreign assistance | 20,777.1 | 15,485.1 | 16,787.3 |
| Export-Import Bank[3] | 8,508.8 | 13,110.0 | 12,000.0 |
| **Total** | **29,285.9** | **28,595.1** | **28,787.3** |

[1] Figures for military and economic assistance represent actual appropriations, including supplementals.

[2] Figures for economic and military assistance represent postsequestration appropriated levels pursuant to Public Law 99–177.

[3] Export-Import Bank figures represent gross program authorization level.

## TABLE II.—DEFENSE EXPENDITURES AND DEVELOPMENT ASSISTANCE

[In millions of dollars]

| Country | Defense expenditures[1] (1984) | | Net official development assistance[2] (1984) | |
|---|---|---|---|---|
| | Amount | Percent of GNP | Amount | Percent of GNP |
| United States | $217,154 | 6.6 | $8,236 | 0.24 |
| United Kingdom | 27,444 | 5.4 | 1,578 | 0.34 |
| France | 23,793 | 4.2 | 3,939 | 0.75 |
| Germany, Federal Republic of | 23,565 | 3.4 | 3,108 | 0.47 |
| Netherlands | 4,673 | 3.2 | 1,288 | 0.96 |
| Norway | 1,844 | 3.2 | 576 | 1.06 |
| Sweden | 3,332 | 3.3 | 748 | 0.82 |
| Belgium | 2,911 | 3.3 | 474 | 0.58 |
| Australia | 4,637 | 2.8 | 750 | 0.47 |
| Italy | 9,609 | 2.7 | 1,009 | 0.28 |
| Denmark | 1,482 | 2.5 | 438 | 0.79 |
| Switzerland | 1,961 | 1.9 | 315 | 0.31 |
| Canada | 6,439 | 2.2 | 1,544 | 0.48 |
| New Zealand | 519 | 2.2 | 60 | 0.26 |
| Finland | 785 | 1.5 | 166 | 0.34 |
| Austria | 937 | 1.3 | 177 | 0.26 |
| Japan | 11,500 | 1.0 | 4,027 | 0.34 |
| Luxembourg | 44 | 1.0 | 8 | 0.19 |
| Ireland | 303 | 1.8 | | |
| Spain | 4,070 | 2.1 | | |

[1] Data on defense expenditures in dollars and as a percent of GNP from the U.S. Arms Control and Disarmament Agency publication entitled "World Military Expenditures and Arms Transfers 1985."

[2] Data on net official development assistance in dollars and as a percent of GNP from the 1985 chairman's report, Development Assistance Committee, Organization for Economic Cooperation and Development.

TABLE III.—U.S. VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND SUBSCRIPTIONS AND CONTRIBUTIONS TO DEVELOPMENT BANKS

| Organization or activity: | *Fiscal year 1987 estimated U.S. share as a percentage of total contributions* |
|---|---|
| African Development Bank:[1] | |
| Paid-in capital | 7.4 |
| Callable capital | 7.4 |
| African Development Fund[1] | 15.4 |
| Asian Development Bank:[1] | |
| Paid-in capital | 16.3 |
| Callable capital | 16.3 |
| Asian Development Fund | 16.25 |
| Consultative Group on International Agricultural Research [CGIAR] [AID] | 25.0 |
| Inter-American Development Bank:[1] | |
| Paid-in capital | 34.7 |
| Callable capital | 34.7 |
| Fund for special operations | 41.27 |
| International Atomic Energy Agency, cash contribution | 25.0 |
| International Bank for Reconstruction and Development:[1] | |
| Paid-in capital | 20.0 |
| Callable capital | 20.0 |
| International Development Association:[1] Paid-in capital (subscriptions) | 25.0 |
| International Fertilizer Development Center [AID] | 40.0 |
| Intergovernmental Committee for European Migration | 11.0 |
| Organization of American States | 51.0 |
| Pathfinder Fund (population planning) [AID] | 95.0 |
| United Nations Relief and Works Agency | 30.0 |
| United Nations Educational and Training Program for Southern Africa | 30.0 |
| United Nations Environment Program | 24.5 |
| United Nations Fund for Drug Abuse Control | 25.0 |
| United Nations Fund for Population Activities [AID][2] | 32.0 |
| United Nations Force in Cyprus | 32.0 |
| World Meteorological Organization, Voluntary Assistance Program | 26.0 |

[1] Percentage based on most recent replenishment as negotiated internationally.

[2] Subject to compliance with U.S. population policy as articulated at International Population Conference, Mexico City, 1984.

# HISTORICAL TOTALS OF U.S. ECONOMIC AND MILITARY ASSISTANCE

The following table presents summary and detail information relating to the totality of U.S. foreign assistance (economic and military) furnished to other nations during the period fiscal years 1946–85. It has been extracted from information assembled and presented by the Agency for International Development in the current edition of its publication, U.S. Overseas Loans and Grants.

U.S. FOREIGN ASSISTANCE, FISCAL YEARS 1946–86

[In millions of dollars]

| | Economic assistance | Military assistance | Total |
|---|---|---|---|
| Total economic and military assistance, fiscal years 1946–85 | 186,509.0 | 112,791.0 | 299,300.0 |
| Total other U.S. loans and grants, fiscal years 1946–85 | 54,809.0 | | 54,809.0 |
| Economic and military assistance, fiscal year 1986 (estimated) | 8,734.7 | 6,750.4 | 15,485.1 |
| **Grand total** | **250,052.7** | **119,541.4** | **369,594.1** |

U.S. ECONOMIC AND MILITARY ASSISTANCE: DETAIL BY REGION AND COUNTRY—FISCAL YEARS 1946–85

[In millions of dollars]

| Country | Economic assistance | Military assistance | Total |
|---|---|---|---|
| A. Near East and South Asia | 54,466.6 | 45,921.4 | 100,388.0 |
| Afghanistan | 540.6 | 5.6 | 546.2 |
| Bahrain | 2.4 | 0.0 | 2.4 |
| Bangladesh | 2,101.6 | 1.7 | 2,103.3 |
| Bhutan | 3.8 | 0.0 | 3.8 |
| Cyprus | 223.3 | 0.0 | 223.3 |
| Egypt | 11,786.8 | 6,824.8 | 18,611.6 |
| Greece | 1,910.3 | 5,375.7 | 7,286.0 |
| India | 11,232.6 | 146.9 | 11,379.5 |
| Iran | 765.7 | 1,404.8 | 2,170.5 |
| Iraq | 45.5 | 50.0 | 95.5 |
| Israel | 10,801.1 | 20,504.2 | 31,305.3 |
| Jordan | 1,588.2 | 1,357.6 | 2,945.8 |
| Lebanon | 299.4 | 264.5 | 563.9 |
| Maldive Islands | 1.5 | 0.0 | 1.5 |
| Nepal | 356.2 | 2.7 | 358.9 |
| Oman | 74.0 | 190.5 | 264.5 |
| Pakistan | 6,196.3 | 1,601.8 | 7,798.1 |
| Saudi Arabia | 31.8 | 292.4 | 324.2 |

U.S. ECONOMIC AND MILITARY ASSISTANCE: DETAIL BY REGION AND COUNTRY—FISCAL YEARS 1946–85—Continued

[In millions of dollars]

| Country | Economic assistance | Military assistance | Total |
|---|---|---|---|
| A. Near East and South Asia—Continued | | | |
| Sinai support mission | 0.0 | 0.0 | 0.0 |
| Sri Lanka | 862.4 | 6.4 | 868.8 |
| Syria | 581.9 | 0.1 | 582.0 |
| Turkey | 4,096.7 | 7,857.8 | 11,954.5 |
| Yemen Arab Republic | 266.9 | 33.8 | 300.7 |
| Yemen, Peoples Democratic Republic of | 4.5 | 0.0 | 4.5 |
| Central Treaty Organization (CENTO) | 39.6 | 0.0 | 39.6 |
| Near East and South Asia Regional | 653.5 | 0.1 | 653.6 |
| B. Latin America | 18,069.1 | 3,306.3 | 21,375.4 |
| Argentina | 199.4 | 263.6 | 463.0 |
| Bahamas | 0.3 | 0.0 | 0.3 |
| Barbados | 3.8 | 0.3 | 4.1 |
| Belize | 60.6 | 1.2 | 61.8 |
| Bolivia | 973.3 | 84.5 | 1,057.8 |
| Brazil | 2,446.4 | 640.0 | 3,086.4 |
| Chile | 1,182.0 | 217.0 | 1,399.0 |
| Colombia | 1,394.2 | 278.8 | 1,673.0 |
| Costa Rica | 935.5 | 34.1 | 969.6 |
| Cuba | 4.0 | 16.1 | 20.1 |
| Dominican Republic | 1,097.9 | 76.9 | 1,174.8 |
| Ecuador | 542.3 | 138.0 | 680.3 |
| El Salvador | 1,467.5 | 554.4 | 2,021.9 |
| Grenada | 59.7 | 0.1 | 59.8 |
| Guatemala | 636.4 | 41.9 | 678.3 |
| Guyana | 112.3 | 0.1 | 112.4 |
| Haiti | 492.0 | 9.4 | 501.4 |
| Honduras | 871.3 | 265.9 | 1,137.2 |
| Jamaica | 774.5 | 20.1 | 794.6 |
| Mexico | 373.2 | 15.6 | 388.8 |
| Nicaragua | 387.5 | 32.4 | 419.9 |
| Panama | 537.6 | 50.2 | 587.8 |
| Paraguay | 200.4 | 30.5 | 230.9 |
| Peru | 1,138.1 | 276.3 | 1,414.4 |
| Suriname | 6.4 | 0.1 | 6.5 |
| Trinidad and Tobago | 40.9 | 0.0 | 40.9 |
| Uruguay | 162.0 | 89.5 | 251.5 |
| Venezuela | 202.7 | 152.5 | 355.2 |
| Other West Indies-Eastern Caribbean Regional | 452.0 | 16.7 | 468.7 |
| Regional Office Central America and Panama—ROCAP | 462.9 | 0.0 | 462.9 |
| Central America Regional | 18.9 | 0.0 | 18.9 |
| Latin America Regional | 833.1 | 0.1 | 833.2 |
| C. East Asia | 28,726.0 | 3[illegible],577.5 | 67,303.5 |
| Burma | 183.3 | 89.4 | 272.7 |
| China, Peoples Republic of | 2.3 | 0.0 | 2.3 |
| Hong Kong | 43.8 | 0.0 | 43.8 |
| Indochina Associated States | 825.6 | 731.5 | 1,557.1 |
| Indonesia | 3,321.7 | 619.9 | 3,941.6 |
| Japan | 2,711.1 | 1,239.7 | 3,950.8 |
| Kampuchea | 913.8 | 1,280.3 | 2,194.1 |
| Korea, Republic of | 6,056.5 | 8,623.3 | 14,679.8 |
| Laos | 904.1 | 1,606.6 | 2,510.7 |
| Malaysia | 92.2 | 190.1 | 282.3 |

## U.S. ECONOMIC AND MILITARY ASSISTANCE: DETAIL BY REGION AND COUNTRY—FISCAL YEARS 1946–85—Continued

[In millions of dollars]

| Country | Economic assistance | Military assistance | Total |
|---|---|---|---|
| C. East Asia—Continued | | | |
| Philippines | 2,721.7 | 1,300.8 | 4,022.5 |
| Ryukyu Islands (U.S.) | 413.7 | 0.0 | 413.7 |
| Singapore | 2.8 | 19.3 | 22.1 |
| Thailand | 918.4 | 2,100.1 | 3,018.5 |
| Vietnam (South), Republic of | 6,947.9 | 16,416.1 | 23,364.0 |
| Western Samoa | 14.7 | 0.0 | 14.7 |
| Taiwan | 2,206.9 | 4,360.4 | 6,567.3 |
| Asia Regional | 445.5 | 0.0 | 445.5 |
| D. Africa | 13,765.6 | 2,570.0 | 16,335.6 |
| Algeria | 203.6 | 0.1 | 203.7 |
| Angola | 23.0 | 0.0 | 23.0 |
| Benin (Dahomey) | 65.8 | 0.2 | 66.0 |
| Botswana | 207.8 | 24.9 | 232.7 |
| Burkina Faso | 241.1 | 0.7 | 241.8 |
| Burundi | 59.8 | 0.3 | 60.1 |
| Cameroon | 185.8 | 27.1 | 212.9 |
| Cape Verde | 66.3 | 0.1 | 66.4 |
| Central African Republic | 30.2 | 0.3 | 30.5 |
| Chad | 127.8 | 7.4 | 135.2 |
| Comoros | 3.9 | 0.0 | 3.9 |
| Congo, Republic of | 19.5 | 0.1 | 19.6 |
| Djibouti, Democratic Republic of | 26.6 | 6.5 | 33.1 |
| Entente States | 38.0 | 0.0 | 38.0 |
| Equatorial Guinea, Republic of | 7.1 | 0.2 | 7.3 |
| Ethiopia | 494.9 | 280.2 | 775.1 |
| Gabon | 19.8 | 15.7 | 35.5 |
| Gambia, The | 55.8 | 0.1 | 55.9 |
| Ghana | 481.2 | 2.6 | 483.8 |
| Guinea | 200.7 | 5.8 | 206.5 |
| Guinea-Bissau | 36.7 | 0.1 | 36.8 |
| Ivory Coast | 49.4 | 0.7 | 50.1 |
| Kenya | 609.1 | 216.3 | 825.4 |
| Lesotho | 183.8 | 0.0 | 183.8 |
| Liberia | 629.8 | 78.5 | 708.3 |
| Libya | 212.5 | 17.6 | 230.1 |
| Madagascar | 91.8 | 2.2 | 94.0 |
| Malawi | 126.8 | 1.7 | 128.5 |
| Mali | 266.4 | 3.9 | 270.3 |
| Mauritania | 134.7 | 0.3 | 135.0 |
| Mauritius | 52.9 | 0.0 | 52.9 |
| Morocco | 1,381.8 | 603.0 | 1,984.8 |
| Mozambique | 137.1 | 0.0 | 137.1 |
| Niger | 258.8 | 14.9 | 273.7 |
| Nigeria | 406.5 | 1.8 | 408.3 |
| Portuguese Territories in Africa | 3.4 | 0.0 | 3.4 |
| REDSO/EA | 0.0 | 0.0 | 0.0 |
| REDSO/WA | 0.0 | 0.0 | 0.0 |
| Rwanda | 92.1 | 1.7 | 93.8 |
| Sao Tome and Principe | 3.7 | 0.0 | 3.7 |
| Senegal | 327.4 | 18.2 | 345.6 |
| Seychelles | 14.1 | 0.0 | 14.1 |
| Sierra Leone | 128.3 | 0.2 | 128.5 |
| Somalia | 554.1 | 163.5 | 717.6 |
| South Africa, Republic of—OSARAC | 168.5 | 0.0 | 168.5 |
| Sudan | 1,122.2 | 303.8 | 1,426.0 |

## U.S. ECONOMIC AND MILITARY ASSISTANCE: DETAIL BY REGION AND COUNTRY—FISCAL YEARS 1946-85—Continued

[In millions of dollars]

| Country | Economic assistance | Military assistance | Total |
|---|---|---|---|
| D. Africa—Continued | | | |
| Swaziland | 87.6 | 0.1 | 87.7 |
| Tanzania | 347.4 | 0.0 | 347.4 |
| Togo | 92.5 | 0.2 | 92.7 |
| Tunisia | 1,014.8 | 568.4 | 1,583.2 |
| Uganda | 96.1 | 0.2 | 96.3 |
| Zaire | 865.3 | 199.9 | 1,065.2 |
| Zambia | 359.1 | 0.0 | 359.1 |
| Zimbabwe | 295.0 | 0.5 | 295.5 |
| Sahel Regional | 247.0 | 0.0 | 247.0 |
| East Africa (Regional Dev. Office) | 33.3 | 0.0 | 33.3 |
| South Africa, Republic of | 1.3 | 0.0 | 1.3 |
| Africa Regional | 775.6 | 0.0 | 775.6 |
| E. Europe | 29,014.3 | 18,027.5 | 47,041.8 |
| Albania | 20.4 | 0.0 | 20.4 |
| Austria | 1,135.2 | 121.9 | 1,257.1 |
| Belgium | 592.3 | 1,275.2 | 1,867.5 |
| Czechoslovakia | 193.0 | 0.0 | 193.0 |
| Denmark | 281.9 | 640.1 | 922.0 |
| Finland | 56.8 | 0.5 | 57.3 |
| France | 3,918.1 | 4,548.6 | 8,466.7 |
| Germany Democratic Republic of | 0.8 | 0.0 | 0.8 |
| Germany, Federal Republic of | 4,041.1 | 939.4 | 4,980.5 |
| Hungary | 32.7 | 0.0 | 32.7 |
| Iceland | 82.2 | 0.1 | 82.3 |
| Ireland | 146.5 | 0.0 | 146.5 |
| Italy | 3,420.5 | 2,545.3 | 5,965.8 |
| Malta | 83.9 | 0.5 | 84.4 |
| Netherlands | 1,027.6 | 1,284.7 | 2,312.3 |
| Norway | 301.8 | 943.9 | 1,245.7 |
| Poland | 681.6 | 0.0 | 681.6 |
| Portugal | 1,028.0 | 952.4 | 1,980.4 |
| Romania | 22.4 | 0.0 | 22.4 |
| Spain | 1,120.0 | 2,944.2 | 4,064.2 |
| Sweden | 109.0 | 0.0 | 109.0 |
| Switzerland | 0.0 | 0.0 | 0.0 |
| United Kingdom | 7,672.1 | 1,107.5 | 8,779.6 |
| U.S.S.R | 186.4 | 0.0 | 186.4 |
| West Berlin | 131.9 | 0.0 | 131.9 |
| Yugoslavia | 2,109.1 | 723.2 | 2,832.3 |
| European Regional | 619.0 | 0.0 | 619.0 |
| F. Oceania | 919.7 | 120.8 | 1,040.5 |
| Australia | 8.0 | 115.6 | 123.6 |
| New Zealand | 4.3 | 4.3 | 8.6 |
| Pacific Islands, Trust Territory of the | 824.2 | 0.0 | 824.2 |
| Papua New Guinea | 3.3 | 0.2 | 3.5 |
| Oceania Regional | 79.9 | 0.7 | 80.6 |

## U.S. ECONOMIC AND MILITARY ASSISTANCE: DETAIL BY REGION AND COUNTRY—FISCAL YEARS 1946–85—Continued

[In millions of dollars]

| Country | Economic assistance | Military assistance | Total |
|---|---|---|---|
| G. Canada | 17.5 | 13.0 | 30.5 |
| H. Interregional activities | 41,528.7 | 4,254.7 | 45,783.4 |
| Grand total | 186,507.5 | 112,791.2 | 299,298.7 |

### NOTES

(1) Information as of September 30, 1985.

(2) Basic data (fiscal years 1946–85) taken from "U.S. Overseas Loans and Grants and Assistance From International Organizations," a publication of the Agency for International Development. See this publication for explanation and detail.

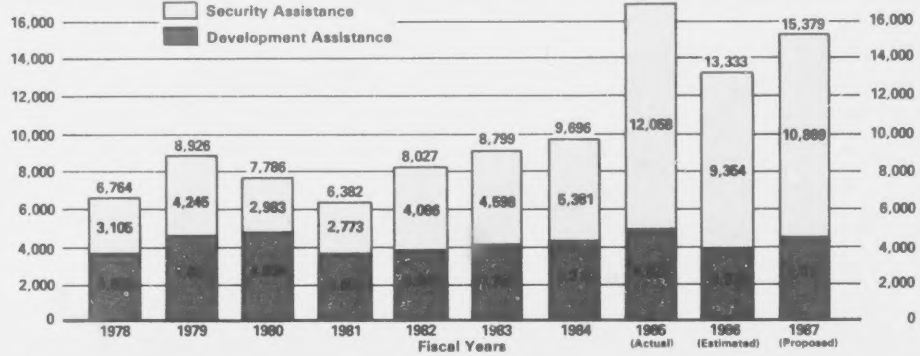
(3) Through September 30, 1985, repayments and interest of both economic and military loans total $47,776,000.

*Less than $50,000.

## HISTORICAL APPROPRIATIONS FOR FOREIGN ASSISTANCE AND RELATED PROGRAMS

Although appropriations for those activities authorized under the Foreign Assistance Act and related authorizing legislation comprise only a portion of the total U.S. foreign assistance effort, they are the largest and most important part. Food aid authorized under Public Law 480 is the only major foreign aid program omitted from this compilation. Therefore, the Committee presents a graph of Foreign Assistance Act and related programs appropriations for fiscal years 1978 through 1987.

**Foreign Assistance and Related Programs Appropriations**
**FY 1978 – FY 1987**
**(Millions of Dollars)**



Notes:

Security Assistance consists of Military Assistance Program Grants, International Military Education and Training, Foreign Military Credit Sales, Indochina Postwar Reconstruction, Security Supporting Assistance, Economic Support Fund, Peacekeeping Operations, Middle East Special Requirements Fund, Relocation of Facilities in Israel, Sinai Support Mission, and Anti-terrorism Assistance.

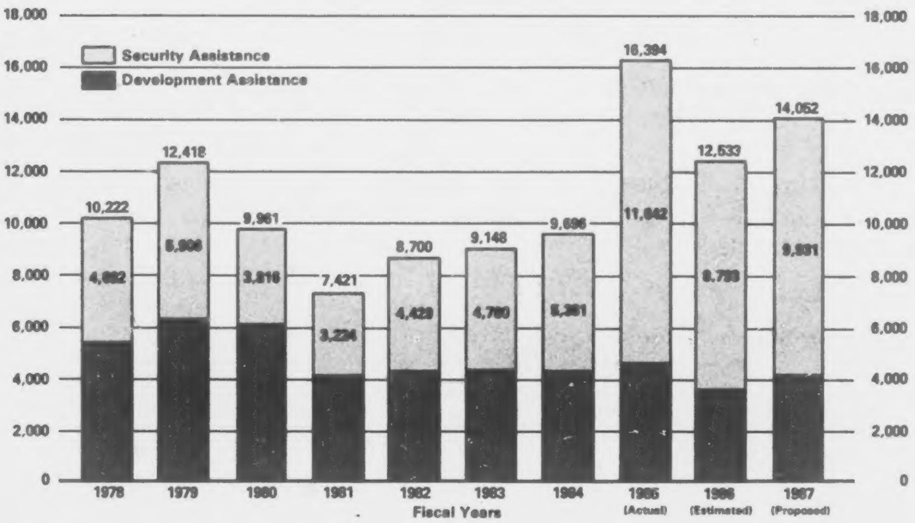
Development Assistance consists of Functional Development Assistance, International Organizations and Programs, International Financial Institutions, American Schools and Hospitals Abroad, International Disaster Assistance, Migration and Refugee Assistance, Peace Corps, Foreign Service Retirement Fund, International Narcotics Control, Contingency Fund and other assistance programs.

Development Assistance includes appropriations of callable capital for the Multilateral Development Banks: FY 1978 - $822 million, FY 1979 - $883 million, FY 1980 - $1,783 million. No funds were appropriated for callable capital in FY 1981 to FY 1986. Data exclude IMF Supplementary Financing Facility.

Detail may not add to totals due to rounding.

A second graph shows this same information in constant dollars for fiscal years 1978–87.

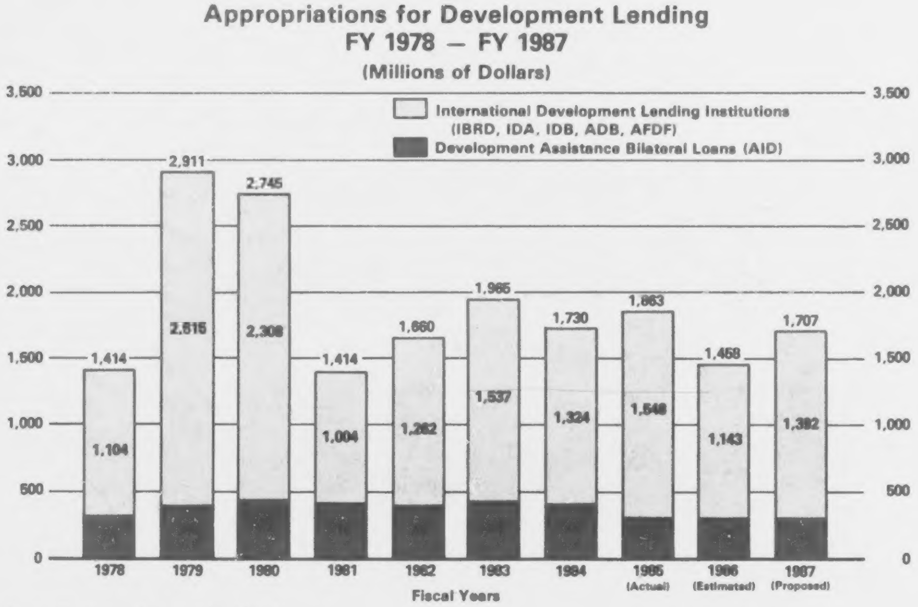
## Foreign Assistance and Related Programs Appropriations In Constant Dollars1/
## FY 1978 — FY 1987
(Millions of Dollars)



1/ 1984 dollars

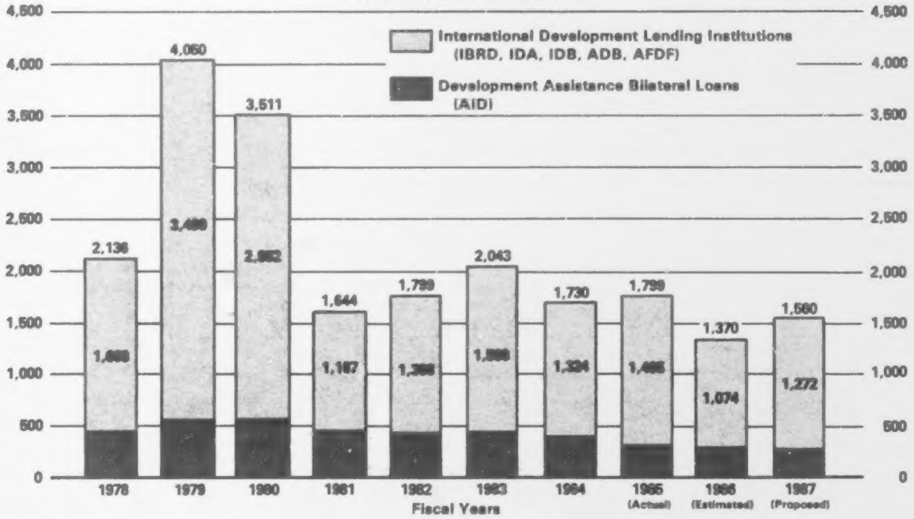
# OVERALL DEVELOPMENT LENDING

The following graphs depict appropriations for both the bilateral and multilateral programs over the last 10 years in current and constant dollars.



Source: The Agency for International Development

## Appropriations for Development Lending In Constant Dollars[1/] FY 1978 — FY 1987 (Millions of Dollars)



[1/] 1984 dollars

# NATIONS MOST IN NEED OF ASSISTANCE

The following table lists the total dollar assistance per country of the Agency for International Development's program by ascending per capita gross national product. Also shown by this table is the cumulative percent of the Agency's program. Following the table is a map which is designed to show those countries most in need of assistance as measured in terms of their per capita gross national product. Obviously, this map is not drawn to show need based on political or security criteria.

AGENCY FOR INTERNATIONAL DEVELOPMENT, TOTAL DOLLAR ASSISTANCE PER COUNTRY LISTED BY PER CAPITA GROSS NATIONAL PRODUCT

[Dollars in thousands]

| Country | GNP per capita (1983) | Fiscal year 1985 | | Fiscal year 1986 | | Fiscal year 1987 | |
|---|---|---|---|---|---|---|---|
| | | Dollar level | Cumulative percent | Dollar level | Cumulative percent | Dollar level | Cumulative percent |
| Chad | 80 | $14,075 | | $8,785 | | $11,000 | |
| Bangladesh | 130 | 85,070 | | 75,000 | | 75,000 | |
| Mali | 150 | 28,458 | | 9,000 | | 10,000 | |
| Zaire | 160 | 34,359 | | 29,620 | | 35,300 | |
| Nepal | 170 | 19,128 | | 14,400 | | 14,400 | |
| Burma | 180 | 14,930 | | 10,000 | | 10,000 | |
| Equatorial Guinea | 180 | 1,000 | | 1,000 | | 1,000 | |
| Guinea-Bissau | 180 | 3,000 | | 2,000 | | 2,000 | |
| Burkina Faso | 180 | 2,790 | | 1,000 | | 1,000 | |
| Malawi | 210 | 24,700 | | 9,200 | | 9,220 | |
| Uganda | 220 | 7,940 | | 3,550 | | 5,350 | |
| Niger | 240 | 25,000 | | 20,785 | | 24,000 | |
| Burundi | 240 | 3,546 | | 2,019 | | 2,000 | |
| Somalia | 250 | 50,737 | | 36,783 | | 48,410 | |
| India | 260 | 85,000 | | 75,000 | | 72,000 | |
| Rwanda | 270 | 18,238 | | 6,000 | | 6,000 | |
| Togo | 280 | 3,100 | | 3,060 | | 3,060 | |
| CAR | 280 | 2,000 | | 2,000 | | 2,000 | |
| Gambia | 290 | 4,581 | | 4,000 | | 4,000 | |
| Madagascar | 290 | 5,000 | | 3,871 | | 5,000 | |
| Guinea | 300 | 2,600 | | 3,730 | | 3,730 | |
| Sao Tome | 310 | 0 | | 600 | | 300 | |
| Haiti | 320 | 30,648 | | 25,127 | | 27,256 | |
| Ghana | 320 | 2,180 | | 3,000 | | 3,000 | |
| Sri Lanka | 330 | 34,662 | | 20,000 | | 20,000 | |
| Kenya | 340 | 39,159 | | 35,234 | | 39,812 | |
| Comoros | 340 | 400 | | 750 | | 700 | |
| Cape Verde | 360 | 2,000 | | 2,000 | | 2,000 | |
| Mozambique | 376 | 13,000 | | 9,570 | | 15,000 | |
| Sierra Leone | 380 | 0 | | 1,300 | | 1,300 | |
| Pakistan | 390 | 250,000 | | 263,250 | | 275,000 | |
| Sudan | 400 | 142,000 | | 87,812 | | 118,000 | |
| Subtotal | | 949,301 | 15.31 | 769,446 | 14.35 | 846,838 | 17.76 |

## AGENCY FOR INTERNATIONAL DEVELOPMENT, TOTAL DOLLAR ASSISTANCE PER COUNTRY LISTED BY PER CAPITA GROSS NATIONAL PRODUCT—Continued

[Dollars in thousands]

| Country | GNP per capita (1983) | Fiscal year 1985 | | Fiscal year 1986 | | Fiscal year 1987 | |
|---|---|---|---|---|---|---|---|
| | | Dollar level | Cumulative percent | Dollar level | Cumulative percent | Dollar level | Cumulative percent |
| Mauritania | 440 | $9,362 | | $3,000 | | $3,000 | |
| Senegal | 440 | 37,104 | | 30,484 | | 35,000 | |
| Liberia | 470 | 58,385 | | 43,377 | | 53,780 | |
| Lesotho | 470 | 10,300 | | 9,660 | | 9,660 | |
| Bolivia | 510 | 10,584 | | 23,647 | | 29,292 | |
| Yemen | 510 | 27,449 | | 23,000 | | 26,000 | |
| Indonesia | 560 | 66,265 | | 52,960 | | 55,000 | |
| Zambia | 580 | 40,000 | | 15,000 | | 20,000 | |
| Honduras | 670 | 191,833 | | 104,463 | | 141,025 | |
| Egypt | 700 | 1,065,000 | | 1,031,382 | | 815,000 | |
| El Salvador | 710 | 372,755 | | 258,143 | | 325,000 | |
| Zimbabwe | 740 | 28,000 | | 20,570 | | 21,000 | |
| Morocco | 750 | 34,545 | | 31,484 | | 38,000 | |
| Philippines | 760 | 174,400 | | 138,505 | | 118,000 | |
| Cameroon | 800 | 19,622 | | 20,790 | | 21,890 | |
| Subtotal | | 3,094,905 | 49.91 | 2,575,911 | 48.03 | 2,558,485 | 53.67 |
| Thailand | 810 | 32,109 | | 24,000 | | 24,000 | |
| Swaziland | 890 | 8,112 | | 7,600 | | 6,500 | |
| Botswana | 920 | 10,000 | | 7,656 | | 8,000 | |
| Djibouti | 934 | 3,500 | | 3,350 | | 5,000 | |
| Grenada | 990 | 11,128 | | 0 | | 0 | |
| Costa Rica | 1,020 | 180,526 | | 131,482 | | 166,000 | |
| Peru | 1,040 | 24,185 | | 27,445 | | 57,000 | |
| Guatemala | 1,120 | 70,533 | | 82,850 | | 110,000 | |
| Belize | 1,140 | 21,650 | | 8,464 | | 10,500 | |
| Mauritius | 1,150 | 7,000 | | 1,914 | | 3,000 | |
| Turkey | 1,230 | 175,000 | | 119,625 | | 150,000 | |
| Congo | 1,230 | 1,000 | | 475 | | 500 | |
| Tunisia | 1,290 | 22,540 | | 19,140 | | 20,000 | |
| Jamaica | 1,300 | 114,550 | | 78,334 | | 123,000 | |
| Subtotal | | 3,776,738 | 60.91 | 3,088,246 | 57.59 | 3,241,985 | 68.01 |
| Dominican Republic | 1,380 | 125,078 | | 64,500 | | 78,658 | |
| Paraguay | 1,410 | 48 | | 0 | | 0 | |
| Ecuador | 1,430 | 32,465 | | 42,597 | | 37,500 | |
| Jordan | 1,710 | 100,000 | | 89,570 | | 18,000 | |
| Fiji | 1,790 | 0 | | 1,357 | | 1,500 | |
| Lebanon | 1,850 | 18,775 | | 21,942 | | 2,000 | |
| Panama | 2,070 | 68,822 | | 22,942 | | 46,100 | |
| Portugal | 2,190 | 80,000 | | 76,560 | | 80,000 | |
| Seychelles | 2,400 | 2,000 | | 1,914 | | 2,500 | |
| South Africa | 2,450 | 0 | | 4,785 | | 10,000 | |
| Uruguay | 2,490 | 0 | | 14,355 | | 15,000 | |
| Cyprus | 3,720 | 15,000 | | 14,355 | | 3,000 | |
| Spain | 4,800 | 12,000 | | 11,484 | | 12,000 | |

## AGENCY FOR INTERNATIONAL DEVELOPMENT, TOTAL DOLLAR ASSISTANCE PER COUNTRY LISTED BY PER CAPITA GROSS NATIONAL PRODUCT—Continued

[Dollars in thousands]

| Country | GNP per capita (1983) | Fiscal year 1985 | | Fiscal year 1986 | | Fiscal year 1987 | |
|---|---|---|---|---|---|---|---|
| | | Dollar level | Cumulative percent | Dollar level | Cumulative percent | Dollar level | Cumulative percent |
| Israel | 5,360 | $1,950,000 | | $1,898,400 | | $1,200,000 | |
| Oman | 6,240 | 20,000 | | 9,570 | | 18,800 | |
| Country program total | | 6,200,926 | 100.00 | 5,362,577 | 100.00 | 4,767,043 | 100.00 |
| Noncountry programs | | 1,535,043 | | 1,417,508 | | 1,409,407 | |
| Grand total | | 7,735,969 | | 6,780,085 | | 6,176,450 | |

NOTES

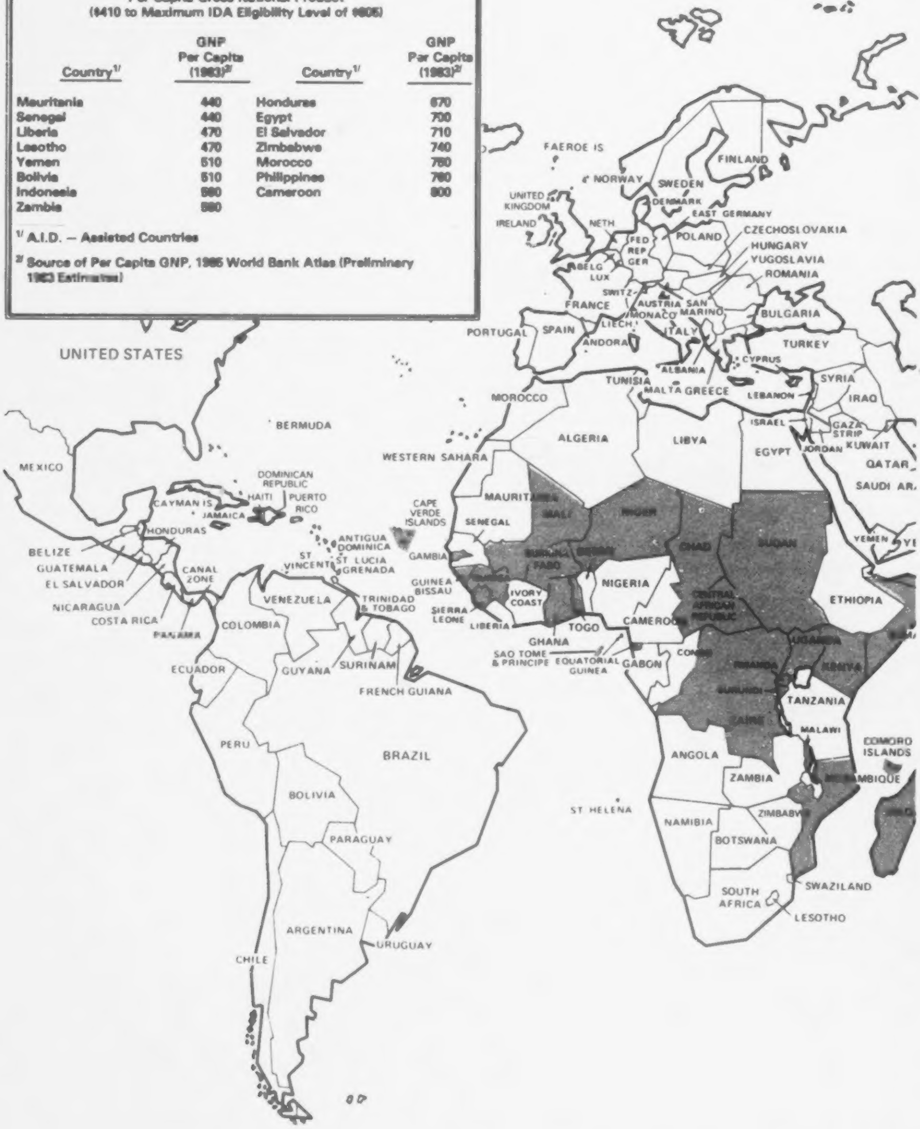
GNP per capita data from the World Bank Atlas 1985.

Noncountry programs include regional programs, centrally funded programs, AID operating expenses, International Disaster Assistance, American Schools and Hospitals Abroad, HIG Reserve Fund, miscellaneous prior year accounts, and miscellaneous trust funds.

No GNP per capita figure was available for Poland.

No GNP per capita figure was available for Afghanistan. Therefore, $543,000 in fiscal year 1985, $17,812,000 in fiscal year 1986, and $15,000,000 in fiscal year 1987 are not included in the totals.

# Nations Most in N


FAEROE IS
NORWAY
SWEDEN
FINLAND
DENMARK
UNITED KINGDOM
IRELAND
NETH
EAST GERMANY
POLAND
FED REP GER
BELG
LUX
CZECHOSLOVAKIA
HUNGARY
YUGOSLAVIA
ROMANIA
FRANCE
SWITZ
AUSTRIA
SAN MARINO
MONACO
LIECH
BULGARIA
PORTUGAL
SPAIN
ANDORA
ITALY
TURKEY
ALBANIA
CYPRUS
TUNISIA
MALTA
GREECE
SYRIA
LEBANON
IRAQ
ISRAEL
GAZA STRIP
JORDAN
KUWAIT
QATAR
SAUDI AR
UNITED STATES
MOROCCO
ALGERIA
LIBYA
EGYPT
BERMUDA
WESTERN SAHARA
MEXICO
DOMINICAN REPUBLIC
HAITI
PUERTO RICO
CAYMAN IS
JAMAICA
CAPE VERDE ISLANDS
MAURITANIA
MALI
NIGER
SENEGAL
HONDURAS
ANTIGUA
DOMINICA
GAMBIA
CHAD
SUDAN
YEMEN
BELIZE
ST VINCENT
ST LUCIA
GRENADA
BURKINA FASO
BENIN
GUATEMALA
EL SALVADOR
CANAL ZONE
GUINEA BISSAU
NIGERIA
ETHIOPIA
NICARAGUA
VENEZUELA
TRINIDAD & TOBAGO
SIERRA LEONE
IVORY COAST
CENTRAL AFRICAN REPUBLIC
COSTA RICA
COLOMBIA
LIBERIA
TOGO
CAMEROON
PANAMA
GHANA
UGANDA
SAO TOME & PRINCIPE
EQUATORIAL GUINEA
GABON
CONGO
RWANDA
KENYA
ECUADOR
GUYANA
SURINAM
BURUNDI
FRENCH GUIANA
TANZANIA
ZAIRE
PERU
MALAWI
BRAZIL
ANGOLA
COMORO ISLANDS
ZAMBIA
MOZAMBIQUE
BOLIVIA
ST HELENA
ZIMBABWE
NAMIBIA
PARAGUAY
BOTSWANA
SWAZILAND
SOUTH AFRICA
LESOTHO
ARGENTINA
URUGUAY
CHILE

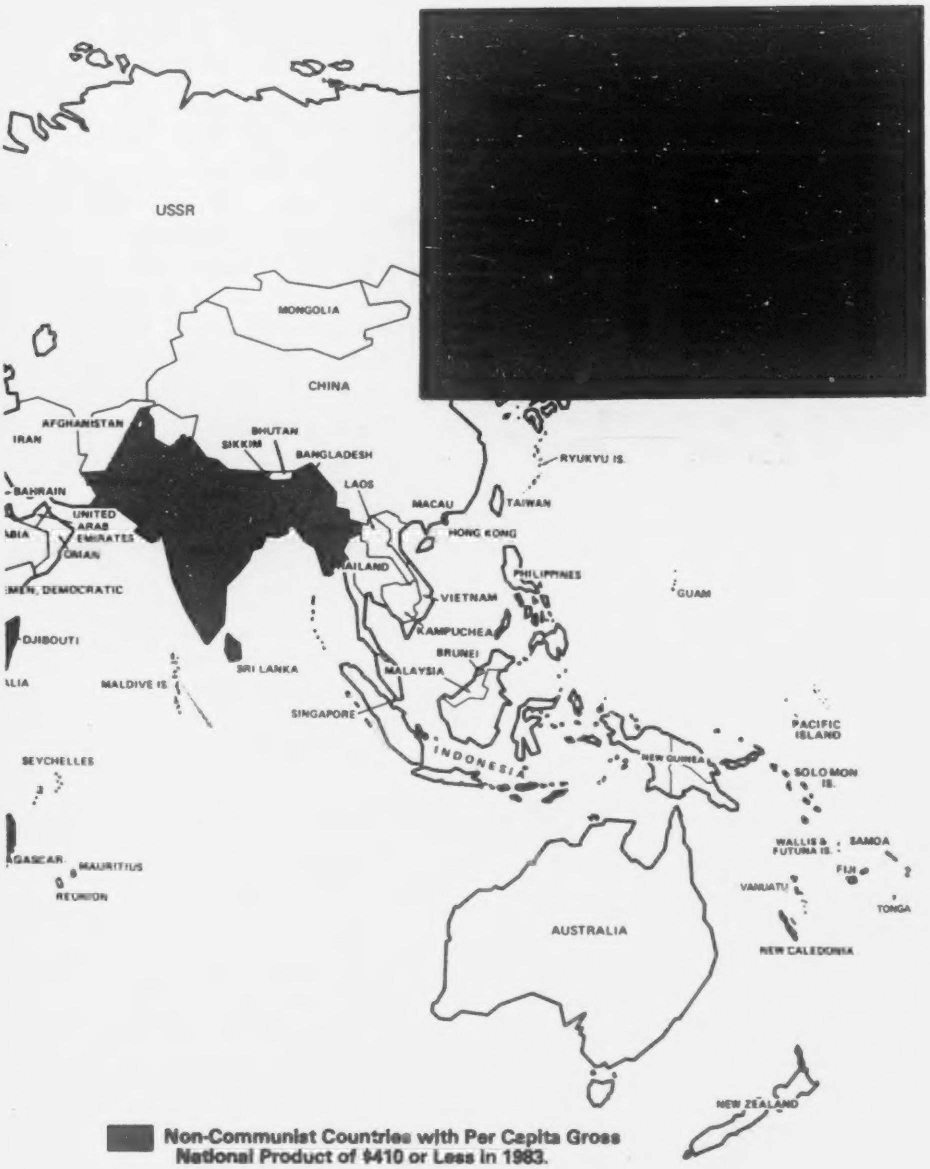
**Per Capita Gross National Product**
**($410 to Maximum IDA Eligibility Level of $805)**

| Country[1] | GNP Per Capita (1983)[2] | Country[1] | GNP Per Capita (1983)[2] |
|---|---|---|---|
| Mauritania | 440 | Honduras | 670 |
| Senegal | 440 | Egypt | 700 |
| Liberia | 470 | El Salvador | 710 |
| Lesotho | 470 | Zimbabwe | 740 |
| Yemen | 510 | Morocco | 760 |
| Bolivia | 510 | Philippines | 760 |
| Indonesia | 560 | Cameroon | 800 |
| Zambia | 580 | | |

[1] A.I.D. – Assisted Countries

[2] Source of Per Capita GNP, 1985 World Bank Atlas (Preliminary 1983 Estimates)

## eed of Assistance


[redacted]
USSR
MONGOLIA
CHINA
AFGHANISTAN
IRAN
BHUTAN
SIKKIM
BANGLADESH
LAOS
BAHRAIN
UNITED ARAB EMIRATES
ABIA
OMAN
EMEN, DEMOCRATIC
DJIBOUTI
ALIA
MALDIVE IS.
SRI LANKA
SEYCHELLES
GASCAR
MAURITIUS
REUNION
MACAU
HONG KONG
TAIWAN
RYUKYU IS.
AILAND
VIETNAM
KAMPUCHEA
PHILIPPINES
GUAM
BRUNEI
MALAYSIA
SINGAPORE
INDONESIA
NEW GUINEA
PACIFIC ISLAND
SOLOMON IS.
WALLIS & FUTUNA IS.
SAMOA
FIJI
VANUATU
TONGA
NEW CALEDONIA
AUSTRALIA
NEW ZEALAND

▨ **Non-Communist Countries with Per Capita Gross National Product of $410 or Less in 1983.**

**Source: *1985 World Bank Atlas (Preliminary 1983 Estimates)***

## EXPROPRIATION CLAIMS

The Committee directs the Department of State to prepare a report on the status of all pending expropriation claims of U.S. citizens and corporations. Included in this report should be a detailed explanation of what specific action has occurred on those cases which have been enumerated in previous reports requested by the Committee. Where no action has occurred, an explanation should be given of that inaction.

This report is to be submitted no later than February 1, 1987.

The Committee is concerned about reports from Aydin Corp. concerning the expropriation of its investment in a joint venture involving the Turkish Government and the production of defense-related items despite valid contract documents. The Committee directs the Departments of State and Defense to jointly study this situation and the applicability of section 620(e) of the Foreign Assistance Act of 1961 as amended, and report to the Committee. The Committee strongly urges the resolution of the situation by the Government of Turkey as soon as possible.

# UNLIQUIDATED BALANCES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Below is a table showing the unliquidated balances of the Agency for International Development.

## UNLIQUIDATED BALANCES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

*(As of March 31, 1986)*

[In thousands of dollars]

| | |
|---|---|
| Development assistance: | |
| Functional development assistance: | |
| Agriculture, rural development, and nutrition | 1,830,323 |
| Population planning | 389,997 |
| Health | 467,394 |
| Child survival | 24,633 |
| Education and human resources development | 332,517 |
| Selected development activities | 376,882 |
| Development loan fund | 0 |
| Undistributed | (359,610) |
| Subtotal functional development assistance | 3,062,136 |
| American schools and hospitals abroad | 20,303 |
| Operating expenses | 87,216 |
| Operating expenses, inspector general | 3,247 |
| Prototype desalting plant | 4,344 |
| International disaster assistance | 153,175 |
| Sahel Development Program | 238,065 |
| Contingency fund, general | 13 |
| Private sector revolving fund | 23,437 |
| African Development Program | 0 |
| Trade and development programs | 20,980 |
| Assistance to Portugal and Portuguese colonies | 8 |
| Total, development assistance | 3,612,924 |
| Security assistance: | |
| Indochina postwar reconstruction | 266 |
| Security supporting assistance | 77,771 |
| Economic support fund | 3,668,070 |
| Peacekeeping operations | 18 |
| Middle East special requirements fund | 3,596 |
| Total, security assistance | 3,749,721 |
| Total unliquidated balances | 7,362,645 |
| Less: Accrued expenditures | 683,590 |
| Total Agency pipeline | 6,679,055 |

## REPROGRAMMING AND INITIATION OF NEW PROGRAMS

The Committee's responsibilities require that it be fully informed as to the nature, funding level, and location of each activity, program, project, country, type of materiel assistance, or other operation for which funds are appropriated in this bill.

Any activity, program, project, country, type of materiel assistance, or other operation specifically set forth by amount to be obligated in fiscal year 1987, and by country in the fiscal year 1987 Congressional Presentation Document shall be deemed to have been justified and the Committee informed. Conversely, any activity, program, project, country, type of materiel assistance, or other operation not specifically set forth by amount to be obligated in fiscal year 1987, and by country in the fiscal year 1987 Congressional Presentation Document shall be deemed not to have been justified and the Committee not informed. In addition, any matter specifically deleted by the Committee in this report shall be deemed not to have been justified for purposes of reprogramming requirements.

Particularly, but not exclusively, the Committee regards those items presented by the Agency for International Development as "additional program requirements" as not having been justified.

The Committee recognizes that its proposed changes in title III substantially restructures the military accounts in a manner which could not have been anticipated by the administration during the preparation of the President's budget. Accordingly, in the application of section 634(a) of the Foreign Assistance Act and section 522 of this bill, amounts justified for fiscal year 1987 shall be the aggregate of amounts proposed by the President for fiscal year 1987 FMS and MAP for such specific activity, program, project, type of materiel assistance, country, or other operation of, if lower, the amounts set forth in the report required by section 653 of the Foreign Assistance Act.

In furtherance of the Committee's oversight responsibilities, it directs that the departments and agencies concerned notify the chairman of the Committee 15 days in advance of the initiation of any activity, program, project, type of materiel assistance, or other operation which was not specifically set forth by amount to be obligated in fiscal year 1987, and by country, in the fiscal year 1987 Congressional Presentation Document. In addition, notification should also be made before exceeding the amounts specified for such activity, program, project, country, type of materiel assistance, or other operation in the Congressional Presentation Document for obligation in fiscal year 1987.

Moreover, the Committee desires to likewise be informed about any reductions or cancellations of projects or programs presented in the Congressional Presentation Document. Whenever possible, the Committee should be notified of any reduction or cancellation; at a minimum, the Committee expects to be informed about such reductions or eliminations on a quarterly basis. These quarterly reports should be submitted to the chairman of the Committee and to the chairman and ranking minority member of the Foreign Operations Subcommittee.

The Committee is deeply concerned about the integrity of the reprogramming notifications. In one specific instance during the current fiscal year, the Agency for International Development submitted a reprogramming for Somalia, which reprogramming notification bore little resemblance to the actual program planned for Somalia. It is worrisome that this happened in this instance, and of even greater concern to the Committee is how often this happens without the Committee's knowledge. It is necessary that the Committee have confidence in the information provided to it for this system to be effective. The Committee has scrutinized further notifications carefully and has warned the Agency that it will not tolerate misleading or vague information in these reprogramming notifications. The Committee has also made the Agency aware that it will not tolerate abuse of the system and that it will take corrective action if this happens again.

The procedures and requirements described above are vitally important and necessary in order for the Committee to effectively carry out its oversight responsibilities. Indeed, without these procedures, in many cases, the Committee would not be able to confidently ensure that congressional mandates are, in fact, being carried out. Any deviation from these procedures by the administration will not be tolerated.

In last year's report the Committee expressed concern over lack of information provided in the Congressional Presentation Document entitled, "Security Assistance Programs" and the effect that lack of information has on the reprogramming process. This document was restructured for fiscal year 1987. However, it is still not satisfactory to the Committee, and it is the Committee's belief that this new document contains even less specific information than before. The Committee directs the Department of State and the Defense Security Assistance Agency to present a working draft of the fiscal year 1988 Congressional Presentation Document to the Committee on Appropriations by December 1, 1986. The Committee will work with the Department and the DSAA to develop a more comprehensive Congressional Presentation Document which contains all of the information required by Congress.

# CONSTRAINTS ON FOREIGN ASSISTANCE PROGRAMS UNDER THE BUDGET RESOLUTION FOR FISCAL YEAR 1987

The budget resolution for fiscal year 1987 requires a significant reduction in budget authority and outlays for programs contained in this legislation. The administration's request for fiscal year 1987 for programs included in the foreign assistance legislation is $15,474,534,125. The budget resolution for fiscal year 1987 provides $13,030,000,000, a 16-percent reduction from the administration's request. However, while this reduction is of itself extraordinarily difficult, the budget resolution mandates outlay reductions which create even larger problems. The outlays provided in the resolution for programs in the foreign assistance legislation represent a 27-percent reduction. The Committee is unable to explain why the outlays are reduced substantially more than the budget authority for these programs, but it would seem that the numbers were basically arrived at in an arbitrary fashion. The crosswalk given to the Appropriations Committee for consideration in the 302(b) process had numbers which would have required massive personnel layoffs and significant reductions to programs in the Middle East. This problem was most graphically illustrated when the House Appropriations Committee considered foreign assistance legislation and, according to the report which accompanied the House legislation, found that, notwithstanding their efforts which achieved budget authority levels within the budget resolution, they were significantly over in outlays.

## BUDGET OUTLAY CAP

The House Appropriations Committee solved the budget authority/outlay mismatch by including a provision in their legislation which establishes a ceiling on the amount of outlays which can be made in fiscal year 1987 for the foreign assistance programs under this legislation.

This Committee recognizes the severe constraints under which the House Committee was forced to operate, and is sympathetic with its attempts to fund a realistic foreign assistance program within the artificial limitations imposed by the budget resolution. Nonetheless, the Committee does not believe that an outlay ceiling is the best way to address the issues raised by these budget constraints.

The combination of the outlay ceiling, the designation of particular programs for which outlay rates are not to be reduced, and the House Committee's other funding recommendations, yield a result that provides inadequate resources for faster disbursing programs. Significant foreign policy decisions should not depend on whether one program or another spends out faster. Additionally, enactment of an outlay ceiling will inevitably encourage the Office of Management and Budget to set up a costly and burdensome outlay and apportionment management system to ensure that expenditures made by the several agencies for which funds are provided in the bill do not exceed the overall ceiling. The Committee does not believe that control of apportionments by the Office of Management and Budget is the appropriate vehicle for foreign policy decisionmaking.

The Committee believes instead, that the combination of authorities and recommended appropriations levels contained in this bill is an effective means of achieving balanced foreign policy objectives, while living within the letter and spirit of our Budget Act limitations. The Committee hopes that both the Budget Committees and the administration will take a closer look at proposed fiscal year 1988 levels to ensure that our domestic requirements are met without sacrificing our development and security assistance needs.

### NEED TO OBTAIN POLICY EQUIVALENCE OF ADMINISTRATION'S REQUESTED PROGRAMS

If the Appropriations Committee were required to fund foreign assistance in the normal fashion under the budget resolution numbers, the United States would be faced with a situation whereby these numbers would be driving foreign policy rather than U.S. interests driving foreign policy. Therefore, what the Committee has attempted to do in its recommendations is to provide the administration with the policy equivalence of its request, while at the same time living within the constraints of the budget resolution. The Committee is making several major changes and recommendations to the legislation in order to provide this policy equivalence, primarily by allowing added flexibility and by substantially changing the military assistance programs by making allowance for an all grant FMS program in lieu of Treasury rate and concessional loans. While this reduces overall military assistance levels substantially, in economic terms countries which receive this type of assistance in effect obtain the same or similar levels as requested. This particular aspect of our overall recommendation will be discussed in detail under title III of this report. As well, in order to save additional outlays, the Committee is recommending phased obligations under the Economic Support Fund and the "International organizations and program" account. The Committee is also saving outlays by providing for a 2-year period for obligating funds and the elimination of the requirement that not more than 15 percent of the appropriated funds may be obligated in the last month of the fiscal year. These particular recommendations go to the outlay problem, while a number of other provisions—while not having direct budgetary consequences—give a greater flexibility to the administration in order to enhance reduced resources provided in the legislation. Included in this category are recommendations of an expanded deob/reob authority, a provision which would allow development assistance to be utilized as cash transfers, and making old but undisbursed Treasury and concessional FMS moneys available as grants. Other elements of the overall recommendation as it relates to flexibility and budget authority and outlay savings are discussed throughout the report.

## PRIORITIES UNDER REDUCED FUNDING AVAILABILITY FOR FOREIGN ASSISTANCE

Even with the substantial changes being recommended in the legislation, the reduced availability of resources requires the Committee to make a judgment with respect to which programs should have a higher priority for funding under these constraints. A possible solution to this problem would be to suggest an across-the-board percentage cut, but such an approach assumes that all programs under this legislation are of equal importance. They are not. While the Committee does believe that all of the programs in the legislation serve U.S. interests, some have a more direct role and are, therefore, more important in the conduct of U.S. foreign policy.

First of all, bilateral assistance must be given a higher priority as opposed to multilateral assistance, because of the former's role in the conduct of U.S. bilateral relations around the world. While the Committee supports multilateral assistance and believes it also is important, the first priority must be given to bilateral programs.

Second, while it is an aspect of our foreign assistance which is not fully understood, our foreign assistance programs are largely tied to direct U.S. security interests. Development assistance, in addition to security assistance, has that type of an element to it, for by promoting and providing for development assistance, we also, therefore, promote stability, and stability in nearly every part of the world is a security concern for the United States. More directly related to U.S. security interests, however, are programs which are provided as a result of base rights and access agreements—most of these programs being funded under title III of the bill and the Economic Support Fund accounts. These programs should obviously be given first priority among bilateral programs.

Therefore, the Committee's general funding recommendations lean toward the bilateral assistance programs, but again, the reductions in this legislation to multilateral programs relate mainly to budgetary constraints and not to a view that those programs are not deserving of support. They are.

## CREDIT CEILING UNDER THE BUDGET RESOLUTION

The Committee believes that the recommendations contained in this legislation are substantially below the budget resolution's allocations with respect to credit ceilings. Because the Committee is recommending a substantial change in U.S. military assistance by making possible an all grant FMS program, those amounts no longer have any relation to the provision of credits or loans, notwithstanding the necessity to use technical language in the legislation which refers to direct loans and credits. In simple fact, the program is an all grant appropriation.

## RATIO OF SECURITY AND DEVELOPMENT ASSISTANCE IN U.S. FOREIGN ASSISTANCE PROGRAM

In the report which accompanied last year's legislation, the Committee responded to arguments which were being made by some that as a matter of policy, development and security assistance should have some sort of relation to each other, instead of changing, as it has over the years, depending on the needs of the times. The Committee further made the point that some who made this argument continued to refuse to recognize that not all of the Economic Support Fund should be classified as security assistance, because at least one-third of that assistance is in fact development assistance. Additionally, the Committee while recognizing the growth of security assistance programs over the last several years, pointed out that much of that growth is in programs for two countries—Israel and Egypt—which have been provided as part of the Camp David peace process.

This year, the Committee believes it is worthwhile to point out additional facts with respect to this issue, especially as to the amount of development assistance requested.

Most comparisons which are put forward concentrate on the level of appropriations, without looking at the total amount of resources which are actually made available by this legislation for development purposes. Specifically, in addition to looking at the amount of appropriations provided for multilateral development banks, it is essential to note that significantly more in resources are provided by this legislation as a result of the callable capital made available to the multilateral development banks. The fiscal year 1987 request for the MDB's totals approximately $1,400,000,000 in budget authority, but in addition includes requests for callable capital approaching $4,000,000,000. This callable capital, while not an appropriation, directly results in development assistance resources transfers, and, therefore, should be calculated in any total figure for development assistance which is provided under this legislation. Obviously, calculation of this callable capital dramatically changes the general perception of the amount of development assistance being provided, although the Committee would quickly point out that it is not simply perception, but rather the result of providing callable capital constitutes real resources for development assistance programs. Therefore, the development assistance being requested, including callable capital and one-third of the Economic Support Fund which is devoted to development assistance projects, is at least $5,183,000,000 more than ordinarily perceived to be the case.

## HOUSE OF REPRESENTATIVES CONSIDERATION OF FOREIGN ASSISTANCE APPROPRIATIONS LEGISLATION FOR FISCAL YEAR 1987

The Senate Appropriations Committee delayed action on the foreign assistance legislation pending completion of House action on this legislation. It now appears unlikely that this legislation, reported by the House Committee on Appropriations on August 5, 1986, will be considered on the floor of the House. Therefore, the Committee is compelled to go ahead with a Senate bill. In several instances in this report, the Committee does refer to House Committee action, and in the tables which head the discussion of each account, the amounts listed for the House are those as reported by the House Committee.

# TITLE I

# MULTILATERAL ECONOMIC ASSISTANCE

## MULTILATERAL DEVELOPMENT BANKS

### THE ENVIRONMENT AND ECONOMIC DEVELOPMENT IN MULTILATERAL DEVELOPMENT BANK POLICIES

The multilateral development banks have failed to date to meet the fundamental environmental concerns of this Committee regarding resource management, conservation and protection of indigenous peoples. One of the reasons the Committee has reduced funding for the MDB's is due to the banks' failure to address the specific criticisms this Committee has made.

The Committee continues to be concerned that the environmental consequences of poorly conceived and executed development projects have both significant localized and international environmental impacts. The Committee is deeply concerned that despite urging by the Committee and the administration, the multilateral development banks have not adequately considered, nor acted, to prevent unacceptable environmental consequences of a large number of the projects currently being funded or selected for funding.

The health of wetlands, tropical rainforests, semiarid grassland savannas, and major river arteries are not only essential components of local ecosystems, but critical to the ecology of the region and the entire world. In addition, each of these systems plays a critical role in the regulation of climatic and water cycles. The destruction of these natural systems has far-reaching implications that may not be limited to localized areas.

In fact, the Committee believes that recent incidences of drought and famine, contagious disease and economic decline have been made worse rather than better by certain bank loans.

The Committee recognizes that any project which destroys or severely damages the resource base of an area will likely become an economic failure. In such cases, well intended economic development projects frequently can be counterproductive and instead of promoting economic growth can lead to an economic decline. Furthermore, once the resource base has been destroyed, prospects for future economic development are made even worse than before a project is initiated.

Development projects that do not adequately consider the capabilities of local ecosystems have a high percentage of failure. All too frequently, the MDB's have funded development projects that are not compatible with local environmental and social conditions. Those projects overtax the capabilities of those resources and may lead to significant harm to the resource. As the environmental resources of a region are destroyed, the economic resources decline. Once environmental and economic resources have been destroyed or severely damaged, the prospects for future economic growth are made far worse.

The Committee insists that review processes to select future economic development projects be strengthened and utilized to recognize that economic development and prevention of human suffering are directly tied to the protection of local environmental resources.

Specifically, the Committee also expects the Secretary of the Treasury to instruct the U.S. executive directors of the banks to seek redesign of the operations manuals of the respective banks to emphasize and reward measures which will bring about reforms which raise environmental concerns throughout their activities. The Secretary of the Treasury is further requested to direct his instructions to the executive directors no later than December 1, 1986, and to report to this Committee no later than June 1, 1987, on the implementation of these reforms.

In overseeing the executive directors' efforts to establish units to carry out environmental reviews as part of the normal project review cycles, the Secretary of the Treasury shall give consideration to the need for a natural resources economist involved at the policy level in long-term environmental planning and country program planning. Second, consideration shall be given to the need for teams of experts in ecology, pollution control, water quality, hydrology, wildlife biology, sociology and anthropology to prepare assessments of the natural resource base on which all sustainable development depends as a normal component of all country program papers, and that such reviews establish appropriate conditions to protect the environment and indigenous peoples. In addition, the Secretary of the Treasury shall consider the need for a specialized monitoring group with the mandate to ensure that conditions and general bank policies to protect the environment and indigenous peoples are complied with.

In strengthening the environmental review process, the Committee believes that the Secretary of the Treasury should pursue the inclusion of nongovernmental organizations such as the International Union for Conservation of Nature and Natural Resources in the preparation of environmental survey, national and regional conservation strategies, implementation blueprints for natural resource and conservation management plans, and reports on compliance with conditions designed to protect the environment or indigenous peoples.

Furthermore, the Committee believes that the Secretary of the Treasury should consider initiatives to encourage the MDB's to develop national conservation strategies in conjunction with borrower nations. Such strategies should include an analysis of long-term ecological social and economic factors to be considered before application for new projects are made. These national strategies should be prepared in conjunction with appropriate environmental ministries of borrower nations and after consultation with appropriate nongovernmental organizations.

For 3 years, this Committee has called for the MDB's to establish criteria to use in selecting and reviewing projects to assure sensitivity to local land use capability. To its credit, the Department of the Treasury has now taken an interest in these issues and has been pressing these matters in the banks. However, the MDB's continue to fall short of demonstrating significant progress. Simply preparing policies for environmental protection is not sufficient to meet the Committee's objections. The Committee expects a commitment to those policies to be demonstrated through the allocation of necessary resources to fully implement the necessary safeguards. The Committee emphasizes that it will continue to evaluate the product of lending policies, not simply the creation of policy documents.

The Committee has again included bill language requiring the Secretary of the Treasury to instruct the U.S. executive directors of the multilateral development banks to promote the addition of professionally trained staff to undertake environmental reviews of proposed and ongoing projects at the regional level.

The Committee does not anticipate the creation of a new level of bureaucracy to review projects, but simply hire staff that have been formally trained in environmental disciplines and including their review of projects at a regular step in project assessment.

The Committee is concerned that pressure by the United States to institute environmental review processes as part of project selection has not been sufficient to assure the necessary changes in lending policies. For this reason, the Committee has included additional bill language directing the Department of the Treasury and the Department of State to enter into negotiations with other lending and borrowing nations to seek support for these U.S. actions. It is the expectation of the Committee that these negotiations will focus on the ability of other nations to place similar pressures on multilateral lending institutions to insist on adequate environmental protection as a component of MDB lending policies.

The Committee is especially concerned that despite a change in U.S. law and efforts by the U.S. executive directors of the MDB's that the banks continue to fund large-scale environmentally unacceptable projects.

For this reason, the Committee has included additional reforms to assure environmental protection. The Committee expects to see documented evidence that these reforms are put into place by the banks.

The Committee is appalled at the lack of fundamental principles of environmental science utilized to make final recommendations on selecting projects for funding. The Committee expects to see structural changes made in each bank to assure that critical environmental criteria are utilized by personnel at all levels.

The Committee expects that special new emphasis and attention will be given to critical functions performed by wetlands. Historically these areas have been regarded as wastelands and been made the target of elimination through development projects. Of particular significance are some of the major wetlands systems of Africa such as the Okvango Delta and Chobe River, the Lake Chad area, and the Inner-Niger Delta marshes and lakes. In addition, the Committee is concerned about potential threats to major Latin American wetlands such as the Pantenal in Brazil and Coastal Chiapas in Mexico.

In addition, the Committee applauds the administrative efforts to develop an early warning system to identify potentially disruptive projects pursuant to the fiscal year 1986 appropriation. In addition, the Committee has included additional requirements to strengthen this early warning system, and to assure that the information learned in this review process is utilized.

## COMPENSATION PRACTICES OF THE WORLD BANK AND THE INTERNATIONAL MONETARY FUND

Another matter of serious concern to the Committee relates to the compensation practices of the World Bank and IMF. These institutions currently advocate policies to reduce subsidies and support fiscal restraint in the context of programs designed to reduce public sectors, improve efficiency and restore growth in its member countries' economies. It does not appear, however, that such policies of restraint and subsidy reduction are widely practiced within the World Bank, and major questions have been raised about the appropriateness of World Bank, as well as IMF, salaries and benefits.

The current levels of World Bank and IMF salaries appear out of line with salaries in comparable positions not only in the public sector, but in the private sector as well. For example, the World Bank senior professional makes $89,800 (gross) while a comparable position may only be paid, on average, $66,800 (gross) in the private market. The generous salary levels in the World Bank and IMF are due in part to the current pitching of salaries to the highest paying private sector market available, plus a 10-percent premium.

Numerous benefits in the World Bank and IMF are also more generous by comparison to the private and public sector markets. For example, the World Bank provides generous relocation grants and retirement bonuses of 1 year's pay on top of pensions which can, at their onset, exceed the highest level pay while actually working at the World Bank.

While there is a need for the World Bank and IMF to recruit and maintain a high quality international staff, salaries and benefits are higher than what is needed and reasonable, and out of touch with the willingness and ability of the United States to finance these institutions at a time of fiscal restraint within the United States.

Therefore, if the United States were to provide substantial additional resources to the World Bank and IMF, it would be essential to make changes to the World Bank/IMF compensation system.

## TRADE PRACTICES OF COUNTRIES WHICH RECEIVE MULTILATERAL DEVELOPMENT ASSISTANCE

In light of increased foreign trade deficits and unemployment in import sensitive industries, the Committee directs the Treasury Department to instruct U.S. representatives to the multilateral development banks and the International Monetary Fund to oppose and vote against loans which would subsidize development of export industries in countries which receive loans from these institutions and which are engaged in dumping or other unfair trade practices with the United States.

## INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

| | |
|---|---|
| Appropriation, 1986 | $109,720,549 |
| Appropriation, 1986 adjusted[1] | 105,002,549 |
| Budget request, 1987 | 182,845,991 |
| House allowance | 94,805,000 |
| Committee recommendation | |

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The administration has requested $182,845,991 in budget authority and $2,105,188,054 in callable capital for the International Bank for Reconstruction and Development for fiscal year 1987. The administration's request consists of:

| | Budget authority | Callable capital |
|---|---|---|
| 1981 general capital increase | $109,702,450 | $1,352,996,925 |
| 1970 selective capital increase | 7,414,053 | 66,726,472 |
| 1984 selective capital increase | 65,729,488 | 685.464,657 |
| Total 1987 request | 182,845,991 | 2,105.188,054 |

As explained under "Constraints on Foreign Assistance Programs" earlier in this report, the Committee has deferred consideration of contributions to the International Bank for Reconstruction and Development at this time.

Tables reflecting historical U.S. contributions to the World Bank, as well as the current replenishment of these resources, follow:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ACTUAL U.S. SUBSCRIPTIONS

[Dollars in millions]

| Through fiscal year 1985 | Total | U.S. share | U.S. percent of total |
|---|---|---|---|
| Paid-in | 6,201.4 | 1,363.4 | 21.98 |
| Callable | 65,561.7 | 13,882.8 | 21.18 |
| Total | 71,763.1 | 15,246.2 | 21.5 |

## CURRENT REPLENISHMENT

[Dollars in millions]

| Through fiscal year 1985 | Total | U.S. share | United States as a percent of total | Appropriated U.S. share | Appropriated percent of U.S. share |
|---|---|---|---|---|---|
| Paid-in | $2,999.3 | $658.3 | 21.9 | $439.9 | 66.7 |
| Callable | 41,032.5 | 8,149.3 | 19.9 | [1] 5,443.1 | 66.8 |
| Total | 44,031.8 | 8,807.6 | 20.0 | 5,882.0 | 66.8 |

[1] Subscribed subject to a program limitation; in the event a call were necessary, appropriations would still be required.

## INTERNATIONAL DEVELOPMENT ASSOCIATION

| | |
|---|---|
| Appropriation, 1986 | $700,000,000 |
| Appropriation, 1986 adjusted | 669,900,000 |
| Budget request, 1987 | 750,000,000 |
| House allowance | 604,844,000 |
| Committee recommendation | 622,623,251 |

The administration's request for fiscal year 1987 represents the third contribution by the United States to the seventh replenishment of IDA. The seventh replenishment calls for total contributions of $9,000,000,000, of which the United States has agreed to contribute $2,250,000,000.

The Committee is recommending the appropriation of $622,623,251, $127,376,749 less than the budget request, but $17,779,251 more than the House-reported bill. Even with the severe budgetary constraints the Committee is forced to operate under, the Committee believes every effort must be made to fund, albeit partially, the International Development Association.

*IDA VIII replenishment.*—It should be clear given the funding recommendations in this legislation for both multilateral and bilateral assistance, that increased funding for the IDA VIII replenishment is simply not possible. While the Committee has expressed in the past support for the level of funding under the IDA VII replenishment, budgetary constraints have not allowed the Congress to even fund those levels. Therefore, the Committee would expect any new replenishment would not be greater than current levels.

Tables reflecting historical U.S. contributions to the International Development Association, as well as the current replenishment of IDA, follow:

### INTERNATIONAL DEVELOPMENT ASSOCIATION

### ACTUAL CONTRIBUTIONS

[Dollars in millions]

| Through fiscal year 1985 | Total | U.S. share | U.S. percent of total |
|---|---|---|---|
| Contribution | $31,929.6 | $10,243.0 | 32.1 |

## CURRENT REPLENISHMENT

[Dollars in millions]

| Through fiscal year 1985 | Total | U.S. share | United States as a percent of total | Appropriated U.S. share | Appropriated percent of U.S. share |
|---|---|---|---|---|---|
| 6th replenishment | $8.750 | $2.250.0 | 25.0 | $750.0 | 33.3 |

## INTERNATIONAL FINANCE CORPORATION

| | |
|---|---|
| Appropriation, 1986 | $29,077,390 |
| Appropriation, 1986 adjusted | 27,827,390 |
| Budget request, 1987 | 35,033,000 |
| House allowance | 25,125,000 |
| Committee recommendation | ........................ |

The administration's request for the International Finance Corporation in fiscal year 1987 is $35,033,000 for the second of five installments to the second capital increase.

As explained under "Constraints on Foreign Assistance Programs" earlier in this report, the Committee has deferred consideration of contributions to the International Finance Corporation at this time.

## MULTILATERAL INVESTMENT GUARANTEE AGENCY

| | |
|---|---|
| Appropriation, 1986 | |
| Budget request, 1987 | $44,403,116 |
| House allowance | |
| Committee recommendation | |

The administration has requested the appropriation of $44,403,116 for the Multilateral Investment Guarantee Agency [MIGA]. MIGA is a new initiative designed to encourage the flow of investment to and among developing countries by issuing guarantees against noncommercial risk, carrying out a wide range of promotional activities and encouraging sound investment policies in member countries. In addition, the administration has requested $177,612,464 in callable capital for fiscal year 1987.

Considering the Committee was unable to fully fund the existing international financial institutions, the Committee felt it was inappropriate to fund a new program in fiscal year 1987. This action is taken without prejudice.

## INTER-AMERICAN DEVELOPMENT BANK

| | |
|---|---|
| Appropriation, 1986 | $89,700,983 |
| Appropriation, 1986, adjusted | 85,843,983 |
| Budget request, 1987 | 143,500,983 |
| House allowance | 67,397,000 |
| Committee recommendation | ............ |

The administration's request for the Inter-American Development Bank in fiscal year 1987 totals $143,500,983. Included in this request is $58,000,983 for paid-in capital, $72,500,000 for the Fund for Special Operations, and $13,000,000 for the Inter-American Investment Corporation. The callable capital request for fiscal year 1987 is $1,230,964,704.

As explained under "Constraints on Foreign Assistance Programs" earlier in this report, the Committee has deferred consideration of contributions to the Inter-American Development Bank.

In addition, the Committee continues to be concerned over the unresponsiveness of the IDB to the Committee's concerns and to the administration's proposals aimed at improving the policies and management practices of the IDB. Particularly relevant to the concerns that have been expressed by this Committee are proposals that the IDB practice appropriate policy conditionality in its lending, that all lending be based on comprehensive country programs and strategies, that operating departments be restructured to provide the IDB the ability to do country strategies and policy-based lending, and that the decisionmaking processes be revised to give decisive weight to donor country views. Without progress on these issues, even with adequate budgetary resources, the Committee could not recommend much more funding for the IDB than is in this legislation.

Tables reflecting historical U.S. contributions to the Inter-American Development Bank, as well as the current replenishment, follow:

INTER-AMERICAN DEVELOPMENT BANK

ACTUAL SUBSCRIPTIONS/CONTRIBUTIONS

[Dollars in millions]

| Through fiscal year 1985 | Total | U.S. share | U.S. percent of total |
|---|---|---|---|
| Paid-in | $2,322.8 | $804.1 | 34.6 |
| Callable | 24,390.0 | 8,582.2 | 35.2 |
| FSO | 8,063.0 | 4,485.3 | 55.6 |
| Total | 34,776.7 | 13,871.6 | 39.9 |

### CURRENT REPLENISHMENT

[Dollars in millions]

| Through fiscal year 1985 | Total | U.S. share | United States as a percent of total | Appropriated U.S. share | Appropriated percent of U.S. share |
|---|---|---|---|---|---|
| Paid-in | $668.3 | $232.0 | 34.7 | $116.0 | 50 |
| Callable | 14,180.8 | 4,923.9 | 34.7 | [1] 2,461.9 | 50 |
| FSO | 702.6 | 290.0 | 41.3 | 145.0 | 50 |
| Total | 15,551.7 | 5,445.9 | 35.0 | 2,722.9 | 50 |

[1] Subscribed subject to a program limitation; in the event a call were necessary, appropriations would still be required.

## ASIAN DEVELOPMENT BANK

| | |
|---|---|
| Appropriation, 1986 | $111,909,408 |
| Appropriation, 1986, adjusted | 107,097,408 |
| Budget request, 1987 | 143,232,676 |
| House allowance | 96,697,000 |
| Committee recommendation | 122,133,200 |

The administration has requested the appropriation of $143,232,676 for fiscal year 1987, $13,232,676 for paid-in capital and $130,000,000 for the Asian Development Fund; in addition, the administration is requesting $251,367,220 as a limitation on callable capital. The Committee recommends the appropriation of $13,232,676 for the paid-in capital and $108,900,524 for the Asian Development Fund.

Tables reflecting historical U.S. contributions to the Asian Development Bank, as well as the current replenishment follow:

### ASIAN DEVELOPMENT BANK

### ACTUAL SUBSCRIPTIONS/CONTRIBUTIONS

[Dollars in millions]

| Through fiscal year 1985 | Total | U.S. share | U.S. percent of total |
|---|---|---|---|
| Paid-in | $1,816.3 | $300.9 | 16.3 |
| Callable | 9,934.0 | 1,645.8 | 16.6 |
| Asian Development Fund | 5,175.2 | 1,035.0 | 20.0 |
| Total | 16,925.5 | 2,981.7 | 17.6 |

### CURRENT REPLENISHMENT

[Dollars in millions]

| Through fiscal year 1985 | Total | U.S. share | United States as a percent of total | Appropriated U.S. share | Appropriated percent of U.S. share |
|---|---|---|---|---|---|
| Paid-in | $404.7 | $66.2 | 16.3 | $26.5 | 40.0 |
| Callable | 7,688.8 | 1,256.8 | 16.3 | [1]502.7 | 40.0 |
| Asian Development Fund | 3,204.6 | 520.0 | 16.2 | 260.0 | 50.0 |
| Total | 11,298.1 | 1,843.0 | 16.3 | 789.2 | 42.8 |

[1] Subscribed subject to a program limitation; in the event a call were necessary appropriations would still be required.

# AFRICAN DEVELOPMENT FUND

| | |
|---|---|
| Appropriation, 1986 | $62,250,000 |
| Appropriation, 1986, adjusted | 59,573,000 |
| Budget request, 1987 | 75,000,000 |
| House allowance | 53,788,000 |
| Committee recommendation | 62,827,225 |

The Committee recommends the appropriation of $62,827,225 for the African Development Fund.

Tables reflecting historical U.S. contributions to the African Development Fund, as well as the current replenishment follow:

AFRICAN DEVELOPMENT FUND

ACTUAL CONTRIBUTIONS

[Dollars in millions]

| Through fiscal year 1985 | Total | U.S. share | U.S. percent of total |
|---|---|---|---|
| Contribution | $2,521.8 | $325.0 | 12.9 |

CURRENT REPLENISHMENT

[Dollars in millions]

| Through fiscal year 1985 | Total | U.S. share | United States as a percent of total | Appropriated U.S. share | Appropriated percent of U.S. share |
|---|---|---|---|---|---|
| 3d replenishment | $1,146 | $150.0 | 13.1 | $150.0 | 100.0 |

# AFRICAN DEVELOPMENT BANK

| | |
|---|---|
| Appropriation, 1986 | $16,188,910 |
| Appropriation, 1986, adjusted | 15,492,910 |
| Budget request, 1987 | 17,986,359 |
| House allowance | 13,988,000 |
| Committee recommendation | |

The administration is requesting the appropriation of $17,986,359 for fiscal year 1987.

As explained under "Constraints on Foreign Assistance Programs" earlier in this report, the Committee has deferred consideration of contributions to the African Development Bank at this time.

Tables reflecting historical U.S. contributions to the African Development Bank, as well as the current replenishment follow:

AFRICAN DEVELOPMENT BANK

ACTUAL SUBSCRIPTIONS

[Dollars in millions]

| Through fiscal year 1985 | Total | U.S. share | U.S. percent of total |
|---|---|---|---|
| Paid-in | $1,045.6 | $53.9 | 5.2 |
| Callable | 3,137.0 | 161.9 | 5.2 |
| Total | 4,182.6 | 215.8 | 5.2 |

CURRENT REPLENISHMENT

[Dollars in millions]

| Through fiscal year 1985 | Total | U.S. share | United States as a percent of total | Appropriated U.S. share | Appropriated percent of U.S. share |
|---|---|---|---|---|---|
| Paid-in | $1,215.4 | $89.9 | 7.4 | $54.0 | 60.1 |
| Callable | 3,646.2 | 269.8 | 7.4 | [1] 161.9 | 60.0 |
| Total | 4,861.6 | 359.7 | 7.4 | 215.9 | 60.0 |

[1] Subscribed subject to a program limitation; in the event a call were necessary appropriations would still be required.

## VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS

| | |
|---|---|
| Appropriation, 1986 | $277,922,475 |
| Appropriation, 1986, adjusted | 265,971,475 |
| Budget request, 1987 | 186,000,000 |
| House allowance | 238,995,000 |
| Committee recommendation | 236,074,000 |

### INTERNATIONAL ORGANIZATIONS AND PROGRAMS

The appropriations requested under this account are for voluntary contributions and are in addition to the regular assessed U.S. contributions to international organizations. The assessed U.S. contributions to international organizations are shown in the following table:

U.S. ASSESSED CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

[In thousands of dollars]

| | Fiscal year 1985 actual | Fiscal year 1986 estimate | Fiscal year 1987 proposed |
|---|---|---|---|
| United Nations and specialized agencies | 359,844 | 347,096 | 298,151 |
| Inter-American organizations | 88,611 | 67,300 | 89,106 |
| Regional organizations | 32,743 | 39,968 | 37,376 |
| Other international organizations | 6,488 | 8,636 | 8,297 |
| New and provisional organizations (from international conferences and contingencies appropriations) | 1,028 | 689 | 552 |
| Contributions for international peacekeeping activities | 47,400 | 29,400 | 53,900 |
| Total, U.S. assessed contributions | 536,114 | 493,089 | 487,382 |

The administration's budget request for International Organizations and Programs/United Nations and Organization of American States totals $186,000,000. This request compares to an appropriation in the last fiscal year of $277,922,475.

The pressures on this particular account are significant both because of the unrealistically low administration request for several of the items under this account—especially UNDP and UNICEF—and because of very strong congressional support for increased funding not only for those programs but also for such programs as the International Fund for Agricultural Development and the World Food Program. The Committee is not able to fully fund a number of administration requests, therefore, in order to make room for an adequate level of funding for those programs which have strong congressional support.

The Committee recommends the appropriation of $236,074,000, $2,921,000 less than recommended in the House-reported bill. Funds provided in the Committee recommendation are earmarked in the legislation as indicated in the following table, which also details the administration's request and the fiscal year 1986 level.

VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS

| | Fiscal year 1986 actual | Fiscal year 1987 request | Committee recommendation |
|---|---|---|---|
| U.N. Development Program [UNDP] | $142,115,000 | $102,500,000 | $112,500,000 |
| U.N. Children's Fund [UNICEF] | 46,080,000 | 34,200,000 | 51,000,000 |
| International Atomic Energy Agency [IAEA] | 16,953,000 | 20,500,000 | 20,500,000 |
| U.N. Environment Program [UNEP] | 8,613,000 | 6,800,000 | |
| International Convention and Scientific Organization Contributions | 1,228,000 | 2,300,000 | 2,300,000 |
| World Meteorological Organization Voluntary Cooperation Program | 1,723,000 | 2,000,000 | 2,000,000 |
| U.N. Capital Development Fund [UNCDF] | 861,000 | 1,800,000 | 861,000 |
| U.N. Educational and Training Program for Southern Africa [UNETPSA] | 861,000 | 900,000 | 789,000 |
| U.N. Development Fund for Women [UNIFEM] | 239,000 | 450,000 | 219,000 |
| UNIDO Investment Promotion Service | | 300,000 | 300,000 |
| Convention on International Trade in Endangered Species [CITES] | 172,000 | 200,000 | 172,000 |
| U.N. Voluntary Fund for Victims of Torture [UNVFVT] | 86,000 | 100,000 | 86,000 |
| World Food Program [WFP] | 1,818,000 | | 1,818,000 |
| U.N. Trust Fund for South Africa [UNTFSA] | | | 250,000 |
| U.N. Fellowship Program | 215,000 | | |
| U.N. Institute for Namibia [UNIN] | 215,000 | | |
| U.N. Center on Human Settlements | 383,000 | | 400,000 |
| International Fund for Agricultural Development [IFAD] | 28,710,000 | [1] 24,500,000 | 28,710,000 |
| World Heritage Fund [WHF] | 239,000 | | 219,000 |
| UNDP Trust Fund to Combat Poverty and Hunger in Africa | 1,368,000 | | |
| Subtotal, United Nations | 251,879,000 | 172,050,000 | 222,124,000 |
| Organization of American States development assistance programs [OAS] | 14,092,000 | 13,950,000 | 13,950,000 |
| Total, International organizations and programs | 265,971,000 | 186,000,000 | 236,074,000 |

[1] Amount requested under Agency for International Development agriculture account.

The Committee's recommendation includes the provision of funding for a number of congressional initiatives, including continued funding of the World Food Program, the World Heritage Fund, and for the Center on Human Settlements.

*International Fund for Agricultural Development [IFAD].*—The Committee recommends the appropriation of $28,710,000 for IFAD for fiscal year 1987. In addition, the Committee has included bill language that would allow $10,000,000 of these funds to be used for the Special Program for Sub-Saharan African Countries Affected by the Drought and Desertification, if requested by IFAD.

*Budgetary constraints.*—The Committee has also included bill language that requires that of the funds appropriated for International Organizations and Programs (other than funds made available for the International Fund for Agricultural Development) not more than $90,000,000 may be obligated prior to October 1, 1987. This action is necessary in order to remain within the outlay limitations imposed on this legislation.

*Drought and famine rehabilitation.*—The Committee notes the work done in drought and famine rehabilitation by the United Nations Sudano-Sahelian Office and other United Nations and multilateral agencies, work which is absolutely essential in order to arrest the iong-term effects of recent droughts in that part of Africa. As well, desertification is a problem which this office has had some success with, again work which is necessary for long-term improvement. The Committee supports this work being done by UNSO and other U.N. organizations, and assumes that adequate resources which are being provided to several of the U.N. agencies under this account will be once again for this purpose.

# TITLE II

## BILATERAL ECONOMIC ASSISTANCE

### AGENCY FOR INTERNATIONAL DEVELOPMENT

The Agency for International Development [AID] is the arm of the U.S. Government which has the principal operating responsibility for U.S. economic assistance programs. AID is currently on the ground in over 60 countries, and, in addition, it manages projects in many other countries through its various regional programs. The Agency's experience and personnel make it the leading development assistance agency in the world.

### ECONOMIC ASSISTANCE TO CENTRAL AMERICA

At a time when parts of the United States do not share in the overall national economic prosperity, the Committee continues to believe strongly that prudent levels of economic assistance to Central America are in the national interest of the United States.

This legislation does not provide any assistance for the Nicaraguan resistance, also known as the Contras. That matter is addressed in separate legislation. This legislation does provide significant amounts of bilateral economic assistance to the people of four Central American countries: Costa Rica, El Salvador, Guatemala, and Honduras. It also provides for regional cooperation among these four Central American democracies. This economic assistance is more than triple the amount provided for weapons and military services, including training and transportation. Paradoxically, it is sustained U.S. economic aid to Central America that gives peace a fighting chance against the local insurgencies and East-West conflicts that encourage violence in the region. Military aid cannot remove the root causes of violence: poverty and social injustice.

The deficit situation and urgent domestic needs preclude recommendation of the full $400,000,000 increase requested by the administration for the four Central American democracies and regional programs. However, the Committee expects the administration to protect the economic assistance programs for Central America as much as possible, recognizing that not only is that region a top priority of the administration, but also of Congress.

Economic cooperation between Costa Rica, El Salvador, and Honduras, and the United States has made a positive difference of the past 4 years. In the case of the newly elected democratic government of Guatemala, the cooperation is more recent, but no less important. In all four democracies, the prospects are remarkably better than anyone could have imagined 4 years ago. Without the courage and the determination of millions of Central Americans and the unparalleled generosity of U.S. taxpayers, there would be more violence and much less hope for the future in the region.

Peaceful transfers of power earlier this year to freely elected governments in Costa Rica, Guatemala, and Honduras, mark an achievement few could have anticipated a few years ago.

As in the United States, productive jobs and opportunity are the primary concern of individual Central Americans. With the support of the United States, many Central Americans can look forward to a better future for themselves and their children.

A measure of the importance of U.S. economic assistance is the changes that have taken place since the current multiyear program began. Between 1980 and 1982, the prospects for Central America were dismal. Income and jobs declined steadily as Central America underwent a severe economic contraction. Per capita income fell 15 percent on average over the period. Costa Rica and El Salvador suffered particularly severe declines and many contemplated emigration to the United States. In El Salvador and Guatemala, insurgent warfare and government mismanagement caused at least $1,000,000,000 in damage and much more in disinvestment and capital flight. Traditional agricultural exports such as coffee, bananas, and sugar, were yielding record low prices in real terms. U.S. attention was focused on the military situations in El Salvador and Nicaragua.

As this Committee noted in its report which accompanied the fiscal year 1986 legislation, Congress and the American people have undertaken a long-term effort to encourage democratic forms of government and improved living conditions in Central America. This multiyear effort is now permanent U.S. policy as enacted in Public Law 99–83. An unparalleled 4-year authorization for fiscal years 1986 through 1989 is in place, and the results are beginning to show.

The initial economic stabilization efforts are well underway and successful in each of the countries. U.S. economic stabilization assistance to Guatemala was constrained so long as that country was ruled by an unelected military dictatorship. With the return of a constitutional, democratic government under President Vinicio Cerezo Arevalo, U.S. response to Guatemalan economic stabilization plans has been limited by resources available in fiscal year 1986. The Committee urges the administration to provide adequate resources for economic stabilization in Guatemala in fiscal year 1987 commensurate with the level expended in other Central American nations in earlier years. In El Salvador, insurgent attacks against the civilian economy partially cancel the government's stabilization efforts. It is not yet possible to reduce economic support funding for El Salvador as long as economic targets remain a prime objective of the insurgents. Additional cooperation with organized labor and the private sector is also required.

Other effective U.S. support for Central American efforts include the administration of justice programs and private sector programs. The

Committee would remind officials administering these programs that they cannot be imposed on unwilling recipients, and that nontraditional exports cannot directly compete with U.S. products under the general provisions of this legislation.

Regional efforts by the United States have been reinforced by the results of the Esquipulas Summit of the democratic Central American presidents and Nicaragua's Daniel Ortega in May 1986. The four democratic leaders have instructed their governments to renew regional cooperation. The Agency for International Development's regional office is designed to assist such efforts.

The Committee commends the Latin America and Caribbean Bureau of the Agency for International Development for its efforts to control training costs to provide cost-effective assistance. The successful Central American Peace Scholarship Program [CAPS], brings to the United States Central Americans from unelite backgrounds, who otherwise would not have an opportunity to study in this country. The Committee encourages AID to provide more in-depth and meaningful exposure to and contact with U.S. citizens on a cost-effective basis. Clearly, the International Student Exchange Program, the most successful of the CAPS programs, is a model which should be followed.

As important and necessary as economic stabilization, trade, and international exchanges are to our efforts in Central America, ultimately jobs are what count in human development. Healthy, educated individuals are needed to make the most of existing opportunities, or to create new ones. While oral rehydration therapy and immunizations have increased greatly, deficiencies remain in primary health care efforts. Our objective in health care is not the perfect North American system, but a workable Central American health system in each country. Surely, the United States can help Central Americans provide primary health care as well as that which is provided by the Cubans elsewhere in the region.

Throughout the region, and in El Salvador and Guatemala particularly, the United States must encourage broadened access to productive land by small farmers and voluntary cooperatives. In Guatemala, the Committee encourages AID to expand its commercial land market project from a pilot effort to a long-term cooperative effort with the government as it has requested. This matter is discussed in greater detail under the report section dealing with Agriculture, rural development, and nutrition.

An innovative program such as that undertaken by the United States in cooperation with Costa Rica, El Salvador, Guatemala, and Honduras will yield both failure and success. The verdict is not yet available, but this overall effort is being closely scrutinized by AID, Congress, and the American people. Based on results to date, the Committee is encouraged. It commends support of peaceful, economic cooperation with Central Americans to all U.S. citizens, whatever their views on Soviet expansionism and assistance to the Nicaraguan resistance.

There are Central American nations where there is less reason for cautious optimism. Panama has taken a step backward from democracy. In Nicaragua, human rights violations increase, the remaining semblance of a free press is finally muzzled, and the economy is weak. Nicaragua's rulers have chosen to replicate the unsuccessful models of Cuba and the Soviet Union, and Sandinista leadership exports hundreds of thousands of refugees to neighboring nations, and wages a war of unconditional surrender against all Nicaraguans who seek a different economic and political course. The Committee would note that Nicaragua has received no official assistance in recent years, and the aid to Panama has been reduced to minimum levels consistent with the Panama Canal treaties.

## BIOLOGICAL DIVERSITY

The Committee is keenly aware of the need to help developing countries improve the management of their biological resources, including wild animal and plant species. There is a need for increased public awareness of the value of biological resources, for the assessment of the status of these resources in the developing countries, for plans to improve their conservation and protection, and for specific projects to implement these plans. For this purpose, the Committee expects the Agency for International Development to strengthen its role in protecting biological diversity and tropical forestry.

The Agency should accordingly be aggressive in attracting resources from the private sector, nongovernment organizations, and the developing countries to match Federal funds available to further biological resources management and biological diversity in the development countries.

Also, while the Committee has considered recommending the establishment of an earmark in the Agency budget to support these activities, the Committee recognizes that in this time of very tight budgets this would further limit the Agency's flexibility to meet its responsibilities in other respects. While the Committee has, therefore, not recommended the establishment of such an earmark, the Committee expects the Agency to develop a special biological resources management program in cooperation with outside organizations and developing countries. We urge that a goal of $4,000,000 (including outside matching resources) be set for this program in fiscal year 1987 and that this goal be increased to $8,000,000 in fiscal year 1988.

The Committee understands the Foreign Relations Committee has acted on biolgoical diversity legislation and that the full Senate is expected to enact this legislation soon. The Committee expects AID's draft action plan on biological diversity to be updated to fulfill the requirements of the authorization legislation.

## AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

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|---|---|
| Appropriation, 1986 | $699,995,900 |
| Appropriation, 1986 adjusted | 669,895,000 |
| Budget request, 1987 | 709,900,000 |
| House allowance | 619,839,000 |
| Committee recommendation | 649,500,000 |

The most basic concern of the world's inhabitants is an adequate food supply. Through this function, the Agency for International Development funds a variety of agricultural related programs designed to increase production, improve nutrition, and develop the rural areas of Third World countries. The programs also include a wide variety of research on plant yields, soils, and plant disease, as well as institutional development.

*Assistance for agricultural activities in Poland.*—In fiscal year 1985 the Committee provided up to $10,000,000, $5,000,000 each for fiscal years 1985 and 1986, to support agricultural activities in Poland to be managed by the Polish Catholic Church or other nongovernmental organizations. The Government of Poland has not allowed this funding to be utilized either through a private foundation or the church. The funding previously provided, therefore, will lapse at the end of the current fiscal year. Nonetheless, the Committee believes that the United States should continue to keep open the possibility for such activities in the hope that the Government of Poland will see this opportunity as a way to demonstrate progress toward national reconciliation, which remains the cornerstone of the United States objectives in Poland, and the precondition for removal of the remaining sanctions against Poland. Therefore, the Committee has included bill language which would allow up to $10,000,000 of the funds under this account to be utilized in Poland for agriculture activities managed by either the Polish Catholic Church or other nongovernmental organizations.

*Agricultural research and technical assistance.*—As funding levels for agriculture, rural development, nutrition decrease, it is the intent of this Committee that AID maintain adequate funding for activities such as agricultural training, research, technical assistance, and Third World institution building, which are basic to the agricultural development goals of the Agency. The Committee is concerned that the centrally funded programs within the Bureau of Science and Technology, such as the Collaborative Research Support Programs [CRSP] which fund programs by 37 U.S. title XII universities in 30 developing countries, and other land-grant university research and technical services programs, were cut 24 percent in fiscal year 1986, compared to 11 percent cuts Agencywide. The Committee believes that not less than $32,670,000 should be allocated to the Bureau of Science and Technology Office of Agriculture to maintain continuity of these programs.

*Cooperative development.*—The Committee is also concerned about AID reductions in central support for six U.S. cooperative development organizations which bring self-help, democratic development to low- and moderate-income people in developing countries. The AID-U.S. cooperative partnership stretches back 25 years and reflects numerous legislative mandates to fully utilize the expertise of U.S. cooperatives in economic assistance programs. While presently scheduled reductions in central funding may be appropriate given current budgetary constraints, the Committee would strenuously oppose further cutbacks or moves to eliminate central funding for U.S. cooperative programs.

American agriculture is facing a worsening crisis and precipitous declines in international markets. The work of U.S. cooperatives overseas helps build new markets through economic development which, in turn, enhance the ability of developing countries to purchase U.S. agricultural exports. It is for this reason that the Committee believes AID should maintain a strong U.S. cooperative involvement in its overseas development programs.

*Guatemala Land Purchase Programs.*—Guatemala has a severe land tenure problem of inequitable distribution of good agricultural land with its consequences being violent social instability and a lagging pace of development in the rural sector. The Kissinger Commission recommended U.S. support for efforts to provide long-term financing for landless farmers and smallholders to purchase farm land. Private sector-oriented, open market land purchase programs with supporting credit and technical assistance have been initiated successfully in Guatemala by a private foundation and proposed also by the Cerezo government. These programs, which avoid expropriation, operate on a willing seller-willing buyer free market basis and lead to more intensive, higher productivity use of the land, offer an alternative to traditional approaches to land reform and are deserving of special U.S. support. The Committee believes that $5,000,000 in assistance in fiscal year 1987 would be a reasonable amount to set aside for this purpose.

*Medfly eradication cooperative project.*—The Committee finds that the eradication of the Medfly from Central America will have significant economic benefits for the entire region, including the Caribbean Basin, the United States, and other noninfested countries. The Committee is aware of efforts by the Department of Agriculture [USDA], the Caribbean Basin Initiative [CBI] task force, the Food and Agriculture Organization of the United Nations, the Agency for International Development [AID], and others to move forward with a Medfly eradication cooperative project. In an effort to eradicate effectively this pest from Central America, the Committee instructs AID to work in close cooperation with the Animal and Plant Health Inspection Service of USDA to solicit funding and other assistance from CBI countries for the construction of a sterile fruit fly rearing facility in Honduras.

*Surplus dairy products.*--The Committee has included bill language that states that up to $5,000,000 shall be provided for new development projects of private entities and cooperatives utilizing surplus dairy products. This language is identical to the House-reported legislation.

*Vitamin A Deficiency Program.*—Millions of children each year suffer from vitamin A deficiency. This disorder yearly blinds 500,000 children; in addition, it causes illness and death from measles, diarrhea, and pneumonia. Medical evidence suggests that a vitamin A supplement alone can save many children's lives. The Committee has included bill language earmarking $6,000,000 for the Vitamin A Deficiency Program which is identical to the House-reported legislation. It is the Committee's hope that this program, along with AID's ongoing Oral Rehydration Therapy Program will have a major impact on the health of children worldwide.

The Committee recommends the appropriation of $649,500,000 for the Agricultural, Rural Development and Nutrition function, $29,661,000 more than was recommended in the House-reported bill.

## POPULATION PLANNING

| | |
|---|---|
| Appropriation, 1986 | $250,000,000 |
| Appropriation, 1986 adjusted | 239,250,000 |
| Budget request, 1987 | 250,000,000 |
| House allowance | 239,250,000 |
| Committee recommendation | 230,000,000 |

The population planning activities of the Agency for International Development include direct family planning services, various health-related programs, and research aimed at developing safe and effective contraceptives.

The Committee is recommending bill language, identical to the House-reported bill language, as follows:

> *Provided*, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: *Provided further*, That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to or information about access to, a broad range of family planning methods and services: *Provided further*, in awarding grants for natural family planning under section 104 of the Foreign Assistance Act, no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and additionally, all such applicants shall comply with the requirements of the previous proviso: *Provided further*, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act.

In recommending this language, the Committee intends to reaffirm both existing statutory prohibitions against the use of population planning funds to finance abortion or research abortion as a method of family planning, as well as existing prohibitions against involuntary sterilization. The Committee seeks to underscore its firm intention that individuals served by population planning projects not be encouraged or motivated to practice abortion.

The Committee has included bill language identical to that in the House-reported bill which states that no population planning applicants shall be discriminated against because of their religious or conscientious commitment to offer only natural family planning. However, those groups must comply with current law which states that voluntary family planning projects offer a broad range of family planning methods and services, either directly or through referral to or information about access to, a broad range of family planning methods and services.

The Committee is recommending the appropriation of $230,000,000 for this program in fiscal year 1987. The decrease recommended for this account is not a reflection of the Committee's lack of commitment to international population programs, but a reflection of severe budget constraints.

## HEALTH

| | |
|---|---|
| Appropriation, 1986 | $200,824,200 |
| Appropriation, 1986 adjusted | 192,189,000 |
| Budget request, 1987 | 150,843,000 |
| House allowance | 173,525,000 |
| Committee recommendation | 160,000,000 |

The Health Development account provides assistance to a variety of health sector programs and projects. Included in this activity are such programs as primary health training, the development of health care systems, the provision of basic drugs and other commodities, research, and programs which seek to identify effective methods of disease control.

*Aging.*—The Committee is aware of the projected rapid increases of older people around the world in developing and developed nations. Accordingly, it is timely that AID begin to allocate a proportion of its health resources into international research on problems affecting older persons. The Committee recommends that at least $5,000,000 be set aside for this purpose. AID is directed to collaborate with the National Institute on Aging for the Department of Health and Human Services in such activities as comparative international epidemiological studies on Alzheimer disease and related dementias, osteoporosis, and other health problems affecting older people. The Committee understands that preliminary observations by the NIA have suggested significant differences in the prevalence of such chronic conditions in different cultures and environments, and that systematic studies of these differences may provide important insight into causes, prevention, and treatment of these maladies. The Committee further directs that a detailed report be developed describing those projects funded under this new initiative.

The Committee's recommendation of $160,000,000 for the Health account is a reduction from last year's level. However, taken with the Committee's recommendation of $75,000,000 for the Child Survival Fund and $51,000,000 for UNICEF, the Committee believes that programs worldwide will be adequately funded.

## CHILD SURVIVAL FUND

| | |
|---|---|
| Appropriation, 1986 | $25,000,000 |
| Appropriation, 1986 adjusted | 23,925,000 |
| Budget request, 1987 | 25,000,000 |
| House allowance | 50,000,000 |
| Committee recommendation | 75,000,000 |

The Child Survival Fund was a fiscal year 1985 congressional initiative that has been met with enthusiastic response from private voluntary organizations, international organizations, recipient countries, and the administration itself.

The Committee fully endorses the aims of the Universal Childhood Immunization Act, as passed the Senate on August 15, 1986. That legislation amended the Foreign Assistance Act of 1961 to provide assistance to promote immunization and oral rehydration therapy, with its goal the achievement of access for children in the Third World by 1990 to immunization against the six major childhood diseases: polio, measles, whooping cough, diptheria, tetanus, and tuberculosis.

The Committee believes that the United States should continue to attach high priority to child survival and to play a leadership role in the eradication of these diseases through the delivery, distribution, and administration of low-cost vaccines.

To this end, the Committee has recommended the appropriation of $75,000,000 for the Child Survival Fund.

The Committee again expects this funding to be provided through the United Nations Development Program, UNICEF, and private voluntary organizations, as well as through direct bilateral assistance programs.

## EDUCATION AND HUMAN RESOURCES DEVELOPMENT

| | |
|---|---|
| Appropriation, 1986 | $169,949,700 |
| Appropriation, 1986 adjusted | 162,642,000 |
| Budget request, 1987 | 179,789,000 |
| House allowance | 146,847,000 |
| Committee recommendation | 155,000,000 |

The Education and Human Resources Development Program of the Agency for International Development concentrates its work on basic primary education, nonformal education such as adult and vocational training, more advanced scientific professional and technical training, and support of research in basic education and training.

*International Student Exchange Program.*—The Committee has again included a $6,000,000 earmark for the International Student Exchange Program. This congressionally initiated program has developed into being the model for Central American peace scholarships first called for by the National Bipartisan Commission on Central America.

*Basic education.*—The Committee notes with concern that, contrary to Agency policy statements, basic education is not an Agency priority. It represents about 15.3 percent of the education account, a decrease from 30 percent 6 years ago.

Development programs in all sectors depend on people with basic reading and computational skills to be effective, whether agriculture or health/child survival, yet few major programs are accompanied by basic education projects—especially in Africa.

While the Committee commends the Agency's work to develop local institutions and the private sector, it questions the efficacy of such programs when literacy remains a distant dream for so many (80 percent in West Africa).

The Committee is aware of the Agency's capacity to leverage small investments to effect policy reform and more efficient allocation of LDC education budgets. It is the Committee's hope and intent that more attention and effort be given to basic education by concentrating on policy reform, and the Committee urges the Agency to give this greatest priority in Africa.

*Higher education in Latin America.*—Although a lower priority than basic education, there is need in Latin America and the Caribbean for the Agency for International Development and the United States Information Agency to support, where feasible, restoration of links between indigenous public and private universities and United States universities. Renewed emphasis in Central America on vocational and technical education would also support economic recovery.

The Committee recommends the appropriation of $155,000,000, $8,153,000 more than included in the House-reported legislation.

## TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT ACTIVITIES

| | |
|---|---|
| Appropriation, 1986 | $174,358,930 |
| Appropriation, 1986 adjusted | 166,862,000 |
| Budget request, 1987 | 217,210,000 |
| House allowance | 135,657,000 |
| Committee recommendation | 145,000,000 |

Programs and projects funded under this functional account fall outside areas specifically dealt with in the other functional accounts, and in some cases include aspects of several of those functions. AID's private sector programs are largely funded under this account, as are programs funded through the private voluntary organizations [PVO's]. Generally programs or projects dealing with urban problems fall within this account, as do employment and energy activities.

*Energy programs.*—The Committee reiterates its support for a strong energy program in AID. Last year, the Committee proposed a minimum level of $50,000,000 in development accounts for energy activities. The Committee notes with disfavor that the programs have fallen short of this funding target.

The Committee is particularly concerned that funding for AID's Office of Energy has been substantially cut. This office provides essential expertise to AID missions for the integration of rural energy systems into agricultural and rural income creation programs and to engage host country governments in policy dialog on a wide range of important energy concerns. Without sufficient and additional funding, the Committee does not see how these important functions will be met. Therefore, the Committee directs AID to maintain funding for the Office of Energy at $10,000,000 in fiscal year 1987.

The Committee recognizes in particular the importance and need for rural electrification in Asia, Central America, and the Caribbean as evidenced by AID's significant contributions to ongoing and successful programs in Bangladesh, Pakistan, and Costa Rica. These programs are judged to be valuable components of the agricultural and rural development strategies of these countries. Further, the Committee encourages AID to provide the necessary resources to stabilize and strengthen the more than decade-long AID support for rural electric cooperatives in the Philippines. In particular, the Committee supports the use of surplus U.S. agricultural commodities through the generation of local currencies to provide needed financing for the 120 rural electric cooperatives in the Philippines, and other cooperatives.

In testimony before the Committee, AID notes that several countries receive economic support funding [ESF] for energy programs. The

Committee agrees that rural electrification is a particularly effective project use of ESF. It is a top rural development priority of recipient governments and also a highly visible way to demonstrate U.S. concern for the well-being of rural populations in these countries of critical importance to U.S. interests.

It is for these reasons that the Committee has earmarked $5,000,000 for the Central American Rural Electrification Support project (597–0010). The Committee expects that AID will allocate a similar amount for this purpose for each of the next 4 fiscal years. This earmark is made without prejudice to the ongoing Central America energy resources project (596–0134).

*Private voluntary organizations.*—The Committee strongly supports private, nonprofit channels of assistance as an effective means of enhancing U.S. bilateral assistance to developing countries. It is the belief of the Committee that private voluntary organizations, cooperatives, and other nonprofit private sector organizations' programs are highly effective and often better able to reach the poor than other types of foreign assistance. Private channels of assistance mobilize both human and financial resources to augment official U.S. Government assistance. Accordingly, in implementing the Committee's recommendations, the Agency is strongly encouraged to maintain funding through private voluntary organizations, cooperatives, and other nonprofit avenues of assistance at last year's levels with reductions in development assistance accounts targeted to governmental assistance channels where possible.

In addition, the Committee particularly believes that the centrally funded programs of AID's Office of Private and Voluntary Cooperation are a top priority. These programs have improved AID's understanding of private voluntary organizations' abilities to plan and implement proven and effective project assistance. Accordingly, the Committee encourages the Agency to fund this program as close to last year's levels as possible.

*United States/Israel cooperative projects.*—The Committee has recommended an earmark of $5,000,000 under this account for cooperative projects among the United States, Israel, and developing countries. This language is identical to that contained in the House-reported legislation.

The Committee recommends the appropriation of $145,000,000, $9,343,000 more than recommended in the House-reported legislation.

## SCIENCE AND TECHNOLOGY

| | |
|---|---|
| Appropriation, 1986 | $10,790,000 |
| Appropriation, 1986 adjusted | 10,326,000 |
| Budget request, 1987 | 14,258,000 |
| House allowance | 9,323,000 |
| Committee recommendation | 10,000,000 |

The Science and Technology Program is the focal point of AID's efforts to collaborate with Third World scientists in establishing priorities for future programs of development research and technology transfer. The key element of the program has also been aimed at developing research capabilities in Third World countries.

The Committee is aware of the agency's desire to utilize $3,000,000 for a follow-on contract with the National Academy of Sciences, for collaborative research. The Committee in the past has expressed concern with this relationship because heretofore a larger amount of funds was made available for this purpose without any resources being contributed by the Academy. The Committee would be willing to support the follow-on contract if—and only if—the Academy matches the dollars provided by AID.

*Marine systems laboratory mariculture project, Grand Turk Island.*—The Committee recommends the continuation of the marine systems mariculture project in the Grand Turks at the current level of funding. The Committee believes that this innovative project continues to show great promise for providing an additional source of revenue as envisioned in the Caribbean Basin Initiative and an alternative for the illicit drug trafficking trade on the island and in the region. The Committee understands that this mariculture project on Grand Turk has been extremely successful and has exhibited the great promise that this Committee envisioned when it initially funded this project in fiscal year 1986. The Committee trusts that AID will continue to report regularly on this important initiative and take the necessary steps to insure the continued success of this project.

The Committee recommends the appropriation of $10,000,000, $677,000 more than the House-reported legislation.

## ASSISTANCE FOR AFRICA

The Committee has included bill language that gives the administration the ability to use the authorities contained in S. 2208, the African Famine Relief and Recovery Fund Act, as introduced on March 19, 1986. The United States can be proud of the way it has responded to the effects of the drought in Africa. Now that the worst of the drought is over, the United States must look toward long-term development needs on that continent.

Among other things, S. 2208:

- establishes a permanent fund within AID for long-term assistance in Africa;
- strengthens and expands the current authorization language, making its implementation more flexible than AID programs elsewhere;
- emphasizes the role of the voluntary agencies and international organizations, giving authority for them to use the Fund;
- mandates that assistance be used to achieve policy and agricultural reforms, and to assist small farmers;
- requires all existing AID programs be administered through the new authorities of the Fund; and
- requires steps to achieve better international cooperation and coordination of African aid programs.

The Committee has included this language as a 1-year authority only, to give the Congress more time to examine the overall situation in Africa, and to develop and enact comprehensive legislation along the lines of S. 2208 and similar legislation which has been introduced in the House.

## PRIVATE SECTOR REVOLVING FUND

| | |
|---|---|
| By transfer: | |
| Appropriation, 1986 | ($18,000,000) |
| Appropriation, 1986 adjusted | (17,226,000) |
| Budget request, 1987 | (13,500,000) |
| House allowance | (15,553,000) |
| Committee recommendation | (13,500,000) |
| Limitation on direct loans: | |
| Appropriation, 1986 | (18,000,000) |
| Budget request, 1987 | (15,000,000) |
| House allowance | (15,553,000) |
| Committee recommendation | (13,500,000) |

The Committee recommends the transfer of $13,500,000, the same as the budget request for the Private Sector Revolving Fund. This is not additive, but is a ceiling on the amount which can be used from development assistance accounts for the Fund.

The purpose of the fund is to promote economic development by encouraging the growth of the private sector in developing countries. The Fund would be used to leverage private sector money and support for development with foreign assistance dollars.

## AMERICAN SCHOOLS AND HOSPITALS ABROAD

| | |
|---|---|
| Appropriation, 1986 | $35,000,000 |
| Appropriation, 1986 adjusted | 33,495,000 |
| Budget request, 1987 | 10,000,000 |
| House allowance | 33,495,000 |
| Committee recommendation | 35,000,000 |

The American Schools and Hospitals Abroad [ASHA] Program provides grants to institutions overseas sponsored by U.S. citizens or organizations. The assistance provided by this program is a supplement to their regular funding, and grants are awarded under specific criteria.

*The American University of Beirut [AUB].*—The American University of Beirut continues as an institution committed to the principles of tolerance and free inquiry at a time when these values are being severely challenged in the region it serves. It would be a tragedy for both the United States and the Middle East were AUB to be dissolved by continued political instability and civil unrest when it has for so long withstood many hardships. Therefore, notwithstanding the very difficult circumstances of this uncertain time which have curtailed AUB operations, the Committee is hopeful that AUB will receive sustaining support from both the "American Schools and Hospitals Abroad" account and other AID sources in fiscal year 1987.

*Childrens Hospital/Israel.*—The development of childrens hospitals throughout the United States over the last decade has resulted in significant advances in pediatric medicine. The Committee strongly supports the provision of assistance under the American Schools and Hospitals Abroad Program aimed at assisting in the creation of a Childrens Hospital in Israel, a country which has sufficient technical resources to support high standard tertiary pediatric medicine, notwithstanding the Agency's preference toward support of only preexisting institutions.

*Project Orbis.*—The Committee strongly urges the Agency for International Development to fully fund the requests for assistance for project Orbis. The Committee looks favorably upon the humanitarian activities of project Orbis in providing modern, on-site medical and surgical ophthalmic services. The Committee is also favorably impressed by the project's ability to transfer such skills and techniques to ophthalmologists around the world.

The Committee recommends the appropriation of $35,000,000, the same amount as appropriated in fiscal year 1986.

The following is a summary of requests made by institutions to the American Schools and Hospitals Abroad Program for fiscal years 1985 and 1986 and grants made by AID in fiscal years 1985 and 1986 and a summary of aid given to recipient institutions for fiscal years 1959–86:

Requests by Institutions for FYs 1985 and 1986 -- Grants for FY 1984, FY 1985 and FY 1986

| INSTITUTION AND LOCATION | FY 1984 GRANTS | FY 1985 REQUESTS | FY 1985 GRANTS | FY 1986 REQUESTS | FY 1986 GRANTS |
|---|---|---|---|---|---|
| Botswana | | | | | |
| Kanye Hospital, Kanye | - | - | - | 995,800 | 800,000 |
| Maru a Pula School, Gaborone | 550,000 | 428,409 | 425,000 | - | - |
| SUBTOTAL, BOTSWANA | 550,000 | 428,409 | 425,000 | 995,800 | 800,000 |
| Brazil | | | | | |
| Esperanca, Santarem | 150,000 | - | - | 192,000 | 192,000 |
| Cameroon | | | | | |
| Hospital Central D'Enongal, Enongal | - | 325,000 | 325,000 | - | - |
| Egypt | | | | | |
| American University in Cairo | 1,000,000 | 3,400,000 | 1,850,000 | 2,900,000 | 1,750,000 |
| College of the Holy Family, Cairo | - | 500,000 | 400,000 | - | - |
| SUBTOTAL, EGYPT | 1,000,000 | 3,900,000 | 2,250,000 | 2,900,000 | 1,750,000 |
| Greece | | | | | |
| American College of Greece, Athens | 380,000 | 940,000 | - | 1,250,000 | 500,000 |
| American Farm School, Thessaloniki | 350,000 | 475,000 | 475,000 | 360,000 | - |
| Anatolia College, Thessaloniki | 375,000 | 1,181,250 | 600,000 | 1,078,700 | 200,000 |
| Athens College, Athens | 275,000 | 376,000 | - | 492,369 | - |
| SUBTOTAL, GREECE | 1,380,000 | 2,972,250 | 1,075,000 | 3,181,069 | 700,000 |
| Guatemala | | | | | |
| Francisco Marroquin University, Guatemala City | 1,000,000 | - | - | 2,500,000 | 1,900,000 |
| Hospital de la Familia, Nuevo Progresso | 125,000 | - | - | - | - |
| University of the Valley, Guatemala City | 700,000 | 1,687,500 | 850,000 | 1,272,500 | 600,000 |
| SUBTOTAL, GUATEMALA | 1,825,000 | 1,687,500 | 850,000 | 3,772,500 | 2,500,000 |
| Haiti | | | | | |
| Adventist Hospital, Port-au-Prince | - | 760,000 | - | - | - |
| American University of Les Cayes, Les Cayes | - | - | - | 1,855,000 | 700,000 |
| Bohoc Technical Institute, Bohoc | - | 377,000 | 375,000 | 330,000 | 330,000 |
| Hospital St. Croix, Leogane | - | 382,000 | 300,000 | 605,000 | 355,000 |
| SUBTOTAL, HAITI | - | 1,519,000 | 675,000 | 2,790,000 | 1,385,000 |

| INSTITUTION AND LOCATION | FY 1984 GRANTS | FY 1985 REQUESTS | FY 1985 GRANTS | FY 1986 REQUESTS | FY 1986 GRANTS |
|---|---|---|---|---|---|
| Honduras | | | | | |
| Escuela Internacional Sampedrana, San Pedro Sula | - | 800,000 | 800,000 | 1,115,540 | 200,000 |
| Panamerican Agricultural School, Zamorano | 1,700,000 | 4,010,000 | 1,700,000 | 4,350,000 | 1,443,000 |
| SUBTOTAL, HONDURAS | 1,700,000 | 4,810,000 | 2,500,000 | 5,465,540 | 1,643,000 |
| India | | | | | |
| Indo-American Hospital, Hyderabad | - | - | - | 3,000,000 | - |
| Kodaikanal School, Tamil Nadu | - | 300,000 | 300,000 | - | - |
| Ludhiana Christian Medical College, Punjab | 500,000 | 1,000,000 | 500,000 | 500,000 | 500,000 |
| Vellore Christian Med. College & Hosp., Vellore | 400,000 | 820,000 | 500,000 | 985,740 | 450,000 |
| Woodstock School, Mussoorie | - | 115,000 | 110,000 | - | - |
| Xavier Labour Relations Institute, Bihar | - | 700,000 | - | - | - |
| SUBTOTAL, INDIA | 900,000 | 2,935,000 | 1,410,000 | 4,485,740 | 950,000 |
| Israel | | | | | |
| American College of Belz, Jerusalem | - | 1,250,000 | 500,000 | - | - |
| AMIT Kfar Batya Youth Village, Israel | - | - | - | 250,000 | - |
| Assaf Harofeh Medical Center, Beer Ya'cov | - | 5,000,000 | - | - | - |
| Bar-Ilan University, Ramat Gan | - | - | - | 1,850,000 | - |
| Beth Rivka Comprehensive School, Kfar Chabad | 450,000 | - | - | - | - |
| Beth Yaacov Avot Girls High School, Ashdod | - | 970,000 | - | - | - |
| Boys Town Jerusalem | - | 1,000,000 | 300,000 | 1,500,000 | - |
| Children's Town, Jerusalem | - | - | - | 1,000,000 | 500,000 |
| David Schapell College, Jerusalem | - | 2,000,000 | - | - | - |
| Educational Center for Galilee, Rechasim (Girls Town, Or Chadash) | - | - | - | 600,000 | - |
| Emunah Women of America Community College, Jerusalem | - | 700,000 | 200,000 | - | - |
| Feinberg Graduate School of the Weizmann Institute of Science, Rehovot | 1,200,000 | 3,000,000 | 500,000 | 2,290,000 | 750,000 |
| Gan Yavne Youth Village, Gan Yavne | - | 300,000 | 150,000 | - | - |
| Hadassah Medical Center, Jerusalem | 1,500,000 | 4,000,000 | 1,500,000 | 4,558,000 | 1,500,000 |
| Harry S. Truman Research Institute for the Advancement of Peace, Jerusalem | - | - | - | 300,000 | 150,000 |
| Itamar Institute, Jerusalem | - | 2,000,000 | - | - | - |
| Jerusalem College of Technology, Jerusalem | 250,000 | - | - | - | - |
| Kiryat Chinuch Mevaseret Zion Educational Center Jerusalem | - | 1,125,000 | - | - | - |

| INSTITUTION AND LOCATION | FY 1984 | FY 1985 | | FY 1986 | |
|---|---|---|---|---|---|
| | GRANTS | REQUESTS | GRANTS | REQUESTS | GRANTS |
| Kfar Silver, Ashkelon | 200,000 | 1,125,000 | - | - | - |
| Laniado Hospital, Netanya | - | 1,500,000 | 500,000 | - | - |
| Machaniam High School, Kiryat Gat | - | - | - | 628,000 | 200,000 |
| Migdal Ohr School, Migdal Ohr | - | - | - | 2,090,000 | - |
| Mother and Baby Hospital, Jerusalem | - | - | - | 3,000,000 | 1,250,000 |
| Music Foundation, Jerusalem | - | - | - | 241,055 | 200,000 |
| Ohr Somayach School, Jerusalem | - | 2,676,000 | 1,000,000 | - | - |
| Sha'Alvim Teacher's College, D.N.Ayalon | - | - | - | 3,000,000 | 400,000 |
| Shaare Zedek Hospital, Jerusalem | 500,000 | 1,040,000 | - | 2,174,000 | 500,000 |
| Union of Orthodox Jewish Congregation/NCSY Israel Center, Jerusalem | - | 352,000 | - | - | - |
| Yeshivat Kfar Ganim High School, Petach Tikva | - | - | - | 1,200,000 | - |
| Yeshivas Wiznitz Beth Israel, Kiriat Wiznitz | - | 750,000 | - | - | - |
| SUBTOTAL, ISRAEL | 4,100,000 | 28,788,000 | 4,650,000 | 24,681,055 | 5,450,000 |
| Italy | | | | | |
| Center for Advanced International Studies, Bologna | 325,000 | 350,000 | 350,000 | 375,000 | 325,000 |
| Jamaica | | | | | |
| St. George's College, Kingston | 625,000 | - | - | 800,000 | 225,000 |
| Jordan | | | | | |
| American Center for Oriental Research, Amman | 400,000 | 400,000 | 250,000 | - | - |
| Korea | | | | | |
| Chung-Ang University, Seoul | - | 1,500,000 | - | 1,500,000 | 400,000 |
| Ewha Women's University, Seoul | - | 500,000 | - | - | - |
| Han-Mi General Hosital, Kyung Gi Do | - | 1,294,000 | - | - | - |
| Kwangju Christian Hospital, Kwangju | 250,000 | - | - | 640,000 | - |
| Presbyterian Medical Center, Jeonju | - | 750,000 | 400,000 | 620,000 | - |
| Sogang University, Seoul | 550,000 | - | - | 1,076,538 | - |
| Soong Jun University, Seoul | - | 2,121,350 | 900,000 | - | - |
| St. Joseph's Girls High School, Chulla Nam Do | - | 425,000 | - | - | - |
| Wilson Leprosy Center, Chulla Nam Do | - | 320,000 | - | - | - |
| Yonsei University, Seoul | - | 2,295,000 | - | - | - |
| SUBTOTAL, KOREA | 800,000 | 9,205,350 | 1,300,000 | 3,856,538 | 400,000 |

| INSTITUTION AND LOCATION | FY 1984 GRANTS | FY 1985 REQUESTS | FY 1985 GRANTS | FY 1986 REQUESTS | FY 1986 GRANTS |
|---|---|---|---|---|---|
| Lebanon | | | | | |
| American University of Beirut | 5,000,000 | 7,500,000 | 5,000,000 | 7,500,000 | 6,000,000 |
| Beirut University College | - | 380,000 | 350,000 | 600,000 | 200,000 |
| SUBTOTAL, LEBANON | 5,000,000 | 7,880,000 | 5,350,000 | 8,100,000 | 6,200,000 |
| Liberia | | | | | |
| Cuttington University College, Suacoco | 650,000 | 1,340,000 | 600,000 | 1,130,000 | 700,000 |
| Malawi | | | | | |
| Malamulo Hospital, Makwasa | - | 800,000 | 700,000 | 700,000 | 550,000 |
| Mexico | | | | | |
| American British Cowdray Hospital, Mexico City | 1,000,000 | - | - | 2,000,000 | 1,000,000 |
| Montemorelos University Medical Center, Nuevo Leon | - | 1,200,000 | - | - | - |
| University of the Americas, Puebla | 500,000 | 940,000 | 500,000 | 855,525 | - |
| SUBTOTAL, MEXICO | 1,500,000 | 2,140,000 | 500,000 | 2,855,525 | 1,000,000 |
| Micronesia, Federated States of | | | | | |
| Xavier High School, Truk | - | - | - | 626,000 | 600,000 |
| Pakistan | | | | | |
| Christian Hospital, Taxila | - | 230,000 | - | - | - |
| Memorial Christian Hospital, Sialkot | - | 230,000 | - | - | - |
| Nancy Fulwood Hospital, Sahiwal | - | 1,500,000 | - | 722,560 | 500,000 |
| SUBTOTAL, PAKISTAN | - | 1,960,000 | - | 722,560 | 500,000 |
| Philippines | | | | | |
| Angeles University, Angeles City | - | - | - | 757,363 | 650,000 |
| Ateneo de Davao University, Davao City | - | 350,000 | 250,000 | - | - |
| Ateneo de Manila University, Quezon City | 1,200,000 | - | - | - | - |
| Ateneo de Zamboanga, Zamboanga City | - | 1,641,000 | 850,000 | - | - |
| Central Philippine University | - | - | - | 1,484,956 | - |
| Northern Christian College, Laoag City | - | 600,000 | - | - | - |
| Notre Dame University, Cotabato City | - | - | - | 1,276,956 | - |
| Wesleyan Universiy | - | - | - | 371,026 | - |
| Xavier University, Cagayan de Oro City | - | 1,945,000 | - | - | - |
| SUBTOTAL, PHILIPPINES | 1,200,000 | 5,536,000 | 1,100,000 | 3,890,301 | 650,000 |

| INSTITUTION AND LOCATION | FY 1984 GRANTS | FY 1985 REQUESTS | FY 1985 GRANTS | FY 1986 REQUESTS | FY 1986 GRANTS |
|---|---|---|---|---|---|
| Poland | | | | | |
| American Children's Hospital, Krakow | 750,000 | 550,000 | 250,000 | 701,886 | 325,000 |
| Sudan | | | | | |
| Loyola Secondary School, Wau, Bahr el Ghazal | 425,000 | - | - | - | - |
| Thailand | | | | | |
| Bangkok Adventist Hospital | 725,000 | 765,000 | 700,000 | - | - |
| Lampang College of Commerce and Technology | - | - | - | 1,013,412 | 850,000 |
| Payap College, Chiang Mai | 500,000 | - | - | 920,000 | - |
| SUBTOTAL, THAILAND | 1,225,000 | 765,000 | 700,000 | 1,933,412 | 850,000 |
| Turkey | | | | | |
| Admiral Bristol Hospital, Istanbul | 400,000 | 1,735,000 | 650,000 | 1,705,000 | 725,000 |
| American Collegiate Institute, Izmir | - | - | - | 423,350 | 300,000 |
| Robert College, Istanbul | 280,000 | - | - | - | - |
| SUBTOTAL, TURKEY | 680,000 | 1,735,000 | 650,000 | 2,128,350 | 1,025,000 |
| UNITED KINGDOM | | | | | |
| New England College, Arundel | - | - | - | 1,565,000 | - |
| West Bank | | | | | |
| Bethlehem University, Bethlehem | 1,000,000 | - | - | - | - |
| St. Luke's Hospital, Nablus | - | - | - | - | - |
| SUBTOTAL, WEST BANK | 1,000,000 | - | - | - | - |
| Worldwide | | | | | |
| Project HOPE Schools of Health Sciences | 1,500,000 | 3,100,000 | 1,500,000 | 3,100,000 | 2,000,000 |
| Project ORBIS | 1,000,000 | 1,500,000 | 1,350,000 | 2,000,000 | 1,925,000 |
| SUBTOTAL, WORLDWIDE | 2,500,000 | 4,600,000 | 2,850,000 | 5,100,000 | 3,925,000 |
| Zaire | | | | | |
| Good Shepherd Hospital, Kananga | 715,000 | 1,291,000 | 500,000 | 1,100,000 | 850,000 |
| Zambia | | | | | |
| Mwami Adventist Hospital, Chipata | 600,000 | 690,000 | 690,000 | - | - |
| TOTALS | 30,000,000 | 86,607,509 | 30,000,000 | 84,048,276 | 33,495,000 |

OFFICE OF AMERICAN SCHOOLS AND HOSPITALS ABROAD
SUMMARY OF AID TO RECIPIENT INSTITUTIONS, FY 1959 - FY 1986
(in thousands of dollars)

| | FYs 1959 - 1979 | | FY 1980 | | FY 1981 | | FY 1982 | FY 1983 | FY 1984 | | FY 1985 | FY 1986 | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INSTITUTIONS | U.S.$ | L/C $ Equiv | U.S.$ | L/C $ Equiv | U.S.$ | L/C $ Equiv | U.S.$ | U.S.$ | U.S.$ | L/C $ Equiv | U.S.$ | U.S.$ | U.S.$ | L/C $ Equiv |
| Admiral Bristol Hospital, Istanbul, Turkey | 3,105 | - | 850 | - | 93 | - | 750 | 550 | 400 | - | 650 | 725 | 7,960 | - |
| Adventist Hospital of Haiti, Port-au-Prince, Haiti | 235 | - | - | - | 400 | - | - | - | - | - | - | - | 635 | - |
| Amana Ulpanat, Kfar Saba & Zefira, Israel | 1,200 | - | - | - | - | - | - | - | - | - | - | - | 1,200 | - |
| American British Cowdray Hospital, 1/ Mexico City, Mexico | - | - | - | - | - | - | - | - | 1,000 | - | | 1,000 | 2,000 | - |
| American Center for Oriental Research, Amman, Jordan | - | - | - | - | - | - | 200 | - | 400 | - | 250 | - | 850 | - |
| American Children's Hospital, Krakow, Poland | 4,660 | 15,288 | 750 | - | - | - | 300 | 150 | 750 | 1,103 | 250 | 325 | 7,185 | 16,391 |
| American College of Belz, Israel | - | - | - | - | - | - | - | - | - | - | 500 | - | 500 | - |
| American College of Greece, Athens, Greece | 5,147 | - | 360 | - | - | - | 300 | - | 380 | - | - | 500 | 6,687 | - |
| American Collegiate Institute, Izmir, Turkey | - | - | - | - | - | - | - | - | - | - | - | 300 | 300 | - |
| American Farm School, Thessaloniki, Greece | 4,789 | - | 270 | - | 550 | - | 425 | 295 | 350 | - | 475 | - | 7,154 | - |
| American Hospital in Estepona, Spain | 25 | - | - | - | - | - | - | - | - | - | - | - | 25 | - |
| American Hospital of Paris, France | 5,475 | - | - | - | - | - | - | - | - | - | - | - | 5,475 | - |
| American Hospital in Rome, Italy | 4,885 | - | - | - | - | - | - | - | - | - | - | - | 4,885 | - |
| American International College, Israel | 100 | - | - | - | - | - | - | - | - | - | - | - | 100 | - |
| American Library in Paris, France | 440 | - | - | - | - | - | - | - | - | - | - | - | 440 | - |
| American University of Beirut, 2/ Lebanon | 116,904 | - | 4,000 | - | 3,500 | - | 4,000 | 4,000 | 5,000 | - | 5,000 | 6,000 | 148,404 | - |
| American University in Cairo, 3/ Egypt | 10,745 | 51,750 | 500 | 15,750 | 400 | 1,300 | 800 | 900 | 1,000 | - | 1,850 | 1,750 | 17,945 | 81,800 |
| American University of Les Cayes, Haiti | - | - | - | - | - | - | - | - | | - | - | 700 | 700 | - |
| Anatolia College, Thessaloniki, Greece | 2,653 | - | - | - | 425 | - | - | 200 | 375 | - | 600 | 200 | 4,453 | - |

(in thousands of dollars)

| INSTITUTIONS | FYs 1959 - 1979 |  | FY 1980 |  | FY 1981 |  | FY 1982 | FY 1983 | FY 1984 |  | FY 1985 | FY 1986 | TOTAL |  |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
|  | U.S.$ | L/C $ Equiv | U.S.$ | L/C $ Equiv | U.S.$ | L/C $ Equiv | U.S.$ | U.S.$ | U.S.$ | L/C $ Equiv | U.S.$ | U.S.$ | U.S.$ | L/C $ Equiv |
| Angles University, Angeles City, Philippines | - | - | - | - | - | - | - | - | - | - | - | 650 | 650 | - |
| Ateneo de Davao University, Davao City, Philippines | - | - | - | - | - | - | 1,190 | - | - | - | 250 | - | 1,440 | - |
| Ateneo de Manila University, Quezon City, Philippines | - | - | - | - | - | - | - | - | 1,200 | - | - | - | 1,200 | - |
| Ateneo de Zamboanga University, Zamboanga, Philippines | - | - | - | - | - | - | - | - | 850 | - | - | - | 850 | - |
| Athens College, Athens, Greece | 2,852 | - | 275 | - | - | - | - | 200 | 275 | - | - | - | 3,602 | - |
| Bangdung Adventist Hospital, Bangdung, Indonesia | 300 | - | - | - | - | - | - | - | - | - | - | - | 300 | - |
| Bangkok Adventist Hospital, Thailand | 450 | - | - | - | - | - | - | - | 725 |  | 700 | - | 1,875 | - |
| Bayit Lepletot Vocational Training School, Jerusalem, Israel | - | 1,000 | - | - | - | - | - | - | - | - | - | - | - | 1,000 |
| Beirut University College, Lebanon 4/ | - | - | - | - | 375 | - | - | - | - | - | 350 | 200 | 925 | - |
| Beth Bluma Vocational School, Petach Tikva, Israel | 1,000 | - | - | - | - | - | - | - | - | - | - | - | 1,000 | - |
| Bethlehem University, Bethlehem, West Bank | - | - | - | - | - | - | - | - | 1,000 | - | - | - | 1,000 | - |
| Beth Oloth Vocational High School, Jerusalem, Israel | 600 | - | - | - | - | - | - | - | - | - |  | - | 600 | - |
| Beth Rivka Comprehensive School, Kfar Chabad, Israel | 500 | - | - | - | - | - | - | 300 | 450 | - | - | - | 1,250 | - |
| Beth Yaacov Avat School, Asdod & Ramat Gan, Israel | 2,400 | - | - | - | - | - | - | - | - | - | - | - | 2,400 | - |
| Beth Zeiroth Mizrachi, Jerusalem, Israel | 500 | - | - | - | - | - | - | - | - | - | - | - | 500 | - |
| Betsefer Tichon Lememichonaim Vocational High School, Umazgirut, Rechev, Rehovot & Tiberias, Israel | 800 | - | - | - | - | - | - | - | - | - | - | - | 800 | - |
| Bohoc Technical School, Bohoc, Haiti | - | - | - | - | - | - | - | 200 | - | - | 375 | 330 | 905 | - |
| Bologna Center For Advanced Int'l. Studies, Bologna, Italy | 2,165 | - | 380 | - | 250 | - | 225 | 200 | 325 | - | 350 | 325 | 3,220 | - |
| Boys Town Jerusalem, Israel | - | - | - | - | - | - | 800 | 250 | - | - | 300 | - | 1,350 | - |
| Cairo American College, Egypt | 100 | 1,250 | - | - | - | - | - | - | - | - | - | - | 100 | 1,250 |
| Central Hospital E'nongal, Cameroon | - | - | - | - | - | - | - | - | - | - | 325 | - | 325 | - |

(in thousands of dollars)

| INSTITUTIONS | FY$ 1959 - 1979 |  | FY 1980 |  | FY 1981 |  | FY 1982 | FY 1983 | FY 1984 |  | FY 1985 | FY 1986 | TOTAL |  |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
|  | U.S.$ | L/C $ Equiv | U.S.$ | L/C $ Equiv | U.S.$ | L/C $ Equiv | U.S.$ | U.S.$ | U.S.$ | L/C $ Equiv | U.S.$ | U.S.$ | U.S.$ | L/C $ Equiv |
| Chemke Mercy Hospitals, Nigeria | 903 | - | - | - | - | - | - | - | - | - | - | - | 903 | - |
| Cheng Hsin Rehabilitation Center, Taipei, Taiwan | 1,860 | - | - | - | - | - | - | - | - | - | - | - | 1,860 | - |
| Children's Town, Jerusalem, Israel | - | - | - | - | - | - | - | - | - | - | - | 500 | 500 | - |
| Ch'san Sofer Chasan Yecheskel Institute, Jerusalem, Israel | 700 | 1,000 | - | - | - | - | - | - | - | - | - | - | 700 | 1,000 |
| Chung Ang University, Seoul, Korea | - | - | - | - | - | - | - | - | - | - | - | 400 | 400 | - |
| Clifford M. Strauss School, Sarcelles, France | 250 | - | - | - | - | - | - | - | - | - | - | - | 250 | - |
| College of the Holy Family, Cairo, Egypt | - | - | - | - | - | - | - | - | - | - | 400 | - | 400 | - |
| Cuttington University College, Suacoco, Liberia | 1,200 | - | 1,500 | - | 750 | - | - | 900 | 650 | - | 600 | 700 | 6,300 | - |
| Damavand College, Tehran, Iran | 1,649 | - | - | - | - | - | - | - | - | - | - | - | 1,649 | - |
| De La Salle University, Manila, Philippines | 1,200 | - | - | - | - | - | - | 800 | - | - | - | - | 2,000 | - |
| Educational Center of Galilee, Rachasim, Israel | 1,750 | - | - | - | - | - | - | - | - | - | - | - | 1,750 | - |
| Emunah Women of America Com. C., Jerusalem, Israel | - | - | - | - | - | - | - | 450 | - | - | 200 | - | 650 | - |
| (EAP) Panamerican Agri. School, Zamorano, Honduras | 3,724 | - | 600 | - | 1,300 | - | 1,500 | 1,455 | 1,700 | - | 1,700 | 1,443 | 13,442 | - |
| Escuela Internacional Sampedrana, San Pedro Sula, Honduras | - | - | - | - | - | - | - | 200 | - | - | 800 | 200 | 1,200 | - |
| Esperanca, Santarem, Brazil | 400 | - | 450 | - | 190 | - | 200 | - | 150 | - | - | 192 | 1,582 | - |
| Feinberg Graduate School of the Weizmann Institute of Science, Rehovot, Israel | 14,700 | - | 1,500 | - | 1,000 | - | 1,000 | 750 | 1,200 | - | 500 | 750 | 21,400 | - |
| Francisco Marroquin University, Guatemala City, Guatemala | - | - | - | - | - | - | - | - | 1,000 | - | - | 1,900 | 2,900 | - |
| Gan Yavne Youth Village, Gan Yavne | 975 | - | - | - | - | - | - | - | - | - | 150 | - | 1,125 | - |
| Good Shepherd Hospital, Kananga, Zaire | 670 | - | 170 | - | 130 | - | - | 550 | 715 | - | 550 | 850 | 3,635 | - |
| Gorgas Memorial Institute, Panama | 20 | - | - | - | - | - | - | - | - | - | - | - | 20 | - |
| Hadassah Medical Center, Jerusalem, Israel | 8,950 | 1,000 | 1,200 | - | 1,000 | - | 1,000 | 850 | 1,500 | - | 1,500 | 1,500 | 17,500 | 1,000 |
| Hadera Institute, Hadera, Israel | 1,400 | - | - | - | - | - | - | - | - | - | - | - | 1,400 | - |
| Haifa Inst. of Education, Israel | 550 | - | - | - | - | - | - | - | - | - | - | - | 550 | - |

(in thousands of dollars)

| INSTITUTIONS | FYs 1959 - 1979 U.S.$ | FYs 1959 - 1979 L/C $ Equiv | FY 1980 U.S.$ | FY 1980 L/C $ Equiv | FY 1981 U.S.$ | FY 1981 L/C $ Equiv | FY 1982 U.S.$ | FY 1983 U.S.$ | FY 1984 U.S.$ | FY 1984 L/C $ Equiv | FY 1985 U.S.$ | FY 1986 U.S.$ | TOTAL U.S.$ | TOTAL L/C $ Equiv |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| H.S. Truman Research Inst. for the Advancement of Peace, Jerusalem, Israel | - | - | - | - | - | - | - | - | - | - | - | 150 | 150 | - |
| Heri Mission Hospital, Kigoma, Tanzania | - | - | 275 | - | - | - | - | - | - | - | - | - | 275 | - |
| Hospital de la Familia, Nuevo Progreso, Guatemala | 820 | - | 225 | - | - | - | - | - | 125 | - | - | - | 1,170 | - |
| Hospital St. Croix, Leogane, Haiti | - | - | - | - | - | - | 150 | - | - | - | 300 | 355 | 805 | - |
| Igud Leiluf Hanoar, Israel | 750 | - | - | - | - | - | - | - | - | - | - | - | 750 | - |
| Induk Vocational School, Seoul, Korea | 1,150 | - | 475 | - | - | - | - | - | - | - | - | - | 1,625 | - |
| International College of Beirut, Lebanon 4/ | 2,842 | - | - | - | 500 | - | - | 250 | - | - | - | - | 3,592 | - |
| International Eye Foundation | 400 | - | - | - | - | - | - | - | - | - | - | - | 400 | - |
| Jerusalem College for Women, Israel | 750 | 1,000 | - | - | - | - | - | - | - | - | - | - | 750 | 1,000 |
| Jerusalem School of Tech., Israel | - | 1,986 | - | - | - | - | - | - | 250 | - | - | - | 250 | 1,986 |
| Kanye Hospital, Kanye, Botswana | 1,000 | - | - | - | 900 | - | - | 600 | - | - | - | 800 | 3,300 | - |
| Kfar Eliyahu Teacher Training Institute, Beer Yaacov, Israel | 1,645 | - | - | - | - | - | - | - | - | - | - | - | 1,645 | - |
| Kfar Eliyahu Youth Village, Gedera, Israel | 950 | - | - | - | - | - | - | - | - | - | - | - | 950 | - |
| Kfar Silver, Ashkelon, Israel | - | - | - | - | - | - | - | - | 200 | - | - | - | 200 | - |
| Kodaikanal School, Tamil Nadu, India | - | - | - | - | - | - | - | - | - | - | 300 | - | 300 | - |
| Kwangju Christian Hospital, Kwangju, Korea | - | - | - | - | - | - | - | - | 250 | - | - | - | 250 | - |
| Kyriat Chinuch Mevasseret Zion, Jerusalem, Israel | 480 | - | - | - | - | - | - | - | - | - | - | - | 480 | - |
| Lampang College of Commerce & Tech., Lampang, Thailand | - | - | - | - | - | - | - | - | - | - | - | 850 | 850 | - |
| Laniado Hospital, Netanya, Israel | 500 | - | - | - | - | - | - | - | - | - | 500 | - | 1,000 | - |
| Lingnan College, Hong Kong | 1,650 | - | - | - | - | - | - | - | - | - | - | - | 1,650 | - |
| Loyola Secondary School, Wau, Bahr el Ghazel, Sudan | - | - | - | - | - | - | - | - | 425 | - | - | - | 425 | - |
| Ludhiana Christian Medical College, Punjab, India | 500 | - | - | - | - | - | - | 500 | 500 | - | 500 | 500 | 2,500 | - |
| Machaniam High School, Kiryat Gat, Israel | - | - | - | - | - | - | - | - | - | - | - | 200 | 200 | - |
| Malamulo Hospital, Makwasa, Malawi | 550 | - | - | - | 750 | - | 400 | - | - | - | 700 | 550 | 2,950 | - |
| Maru a Pula School, Gaborone, Botswana | 195 | - | - | - | - | - | - | - | 550 | - | 425 | - | 1,170 | - |

(in thousands of dollars)

| INSTITUTIONS | FYs 1959 - 1979 | | FY 1980 | | FY 1981 | | FY 1982 | FY 1983 | FY 1984 | | FY 1985 | FY 1986 | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | U.S.$ | L/C $ Equiv | U.S.$ | L/C $ Equiv | U.S.$ | L/C $ Equiv | U.S.$ | U.S.$ | U.S.$ | L/C $ Equiv | U.S.$ | U.S.$ | U.S.$ | L/C $ Equiv |
| Mother and Baby Hospital, Jerusalem, Israel | - | - | - | - | - | - | - | - | - | - | - | 1,250 | 1,250 | - |
| Mt. of David Crippled Children's Hospital, Bethlehem, West Bank | 1,500 | - | - | - | 750 | - | - | - | - | - | - | - | 2,250 | - |
| Mugonero Hospital, Kibuye, Rwanda | - | - | 750 | - | - | - | - | 575 | - | - | - | - | 1,325 | - |
| Musa Alami Foundation, Jericho | 120 | - | - | - | - | - | - | - | - | - | - | - | 120 | - |
| Music Foundation, Israel | - | - | - | - | - | - | - | - | - | - | - | 200 | 200 | - |
| Mwami Adventist Hospital, Chipata, Zambia | - | - | - | - | 300 | - | - | - | 600 | | 690 | - | 1,590 | - |
| Nancy Fulwood Hospital, Sahiwal, Pakistan | - | - | - | - | - | - | - | - | - | - | - | 500 | 500 | - |
| New England College, Arundel, England | 850 | - | - | - | - | - | - | - | - | - | - | - | 850 | - |
| Ohr Somayach School, Jerusalem, Israel | 1,150 | - | - | - | - | - | - | - | - | - | 1,000 | - | 2,150 | - |
| Or Hachayim Girls College, Bnai-Brek, Israel | 1,000 | 1,000 | 645 | - | - | - | 150 | - | - | - | - | - | 1,795 | 1,000 |
| Payap College, Chiang Mai, Thailand | 1,980 | - | - | - | 1,075 | - | 960 | 500 | 500 | - | - | - | 5,015 | - |
| Pediatric Hospital, Seoul, Korea | 50 | - | - | - | - | - | - | - | - | - | - | - | 50 | - |
| People-to-People Health Found., Project HOPE (Worldwide) | 25,200 | - | 1,800 | - | 1,500 | - | 1,600 | 1,500 | 1,500 | - | 1,500 | 2,000 | 36,600 | - |
| Presbyterian Medical Center, Jeonju, Korea | 1,808 | - | - | - | 450 | - | 200 | 200 | - | - | 400 | - | 3,058 | - |
| Project ORBIS (Worldwide) | 1,034 | - | - | - | - | - | 750 | 700 | 1,000 | - | 1,850 | 1,925 | 7,259 | - |
| Ramat Havraath Hospital & Home for the Aged, Petah Tikvah, Israel | 1,150 | - | - | - | - | - | - | - | - | - | - | - | 1,150 | - |
| Robert College, Istanbul, Turkey | 22,070 | - | 300 | - | 275 | - | - | - | 280 | - | - | - | 22,925 | - |
| Satya Wacana Christian University, Salatiga, Indonesi | 650 | - | - | - | - | - | - | - | - | - | - | - | 650 | - |
| Sde Chemed Vocational School, Rishon Le Zion, Israel | 250 | - | - | - | - | - | - | - | - | - | - | - | 250 | - |
| Sephardic Vocational School, Rosh Ha'Ayin, Israel | 250 | - | - | - | - | - | - | - | - | - | - | - | 250 | - |
| Sha'Alvim Teacher's College, D.N. Ayalon, Israel | - | - | - | - | - | - | - | - | - | - | - | 400 | 400 | - |
| Shaare Zedek Hospital, Jerusalem, Israel | 2,125 | - | 800 | - | - | - | - | 500 | 500 | - | - | 500 | 4,425 | - |
| Silliman University, Dumaguete City, Philippines | 1,275 | - | - | - | - | - | - | 500 | - | - | - | - | 1,775 | - |
| Sogang University, Seoul, Korea | 2,516 | - | 650 | - | 800 | - | 950 | - | 550 | - | - | - | 5,466 | - |

(in thousands of dollars)

| INSTITUTIONS | FYs 1959 - 1979 |  | FY 1980 |  | FY 1981 |  | FY 1982 | FY 1983 | FY 1984 |  | FY 1985 | FY 1986 | TOTAL |  |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
|  | U.S.$ | L/C $ Equiv | U.S.$ | L/C $ Equiv | U.S.$ | L/C $ Equiv | U.S.$ | U.S.$ | U.S.$ | L/C $ Equiv | U.S.$ | U.S.$ | U.S.$ | L/C $ Equiv |
| Soong Jun University, Seoul, Korea | - | - | 1,300 | - | - | - | - | - | - | - | 900 | - | 2,200 | - |
| Spafford House, Israel | 20 | - | - | - | - | - | - | - | - | - | - | - | 20 | - |
| St. George's College, Kingston, Jamaica | - | - | - | - | - | - | - | - | 625 | - | - | 225 | 850 | - |
| St. Joseph Girls' High School, Cholla Nam Do, Korea | - | - | - | - | - | - | - | 100 | - | - | - | - | 100 | - |
| Tel Aviv Vocational School, Israel | 1,000 | - | - | - | - | - | - | - | - | - | - | - | 1,000 | - |
| Tom Vocational School, Hadera, Israel | 500 | - | - | - | - | - | - | - | - | - | - | - | 500 | - |
| Trinity College, Manila, Philippines | - | - | 900 | - | - | - | - | - | - | - | - | - | 900 | - |
| Universidad of the Valley, Guatemala City, Guatemala | 775 | - | 850 | - | 1,200 | - | 950 | 875 | 700 | - | 850 | 600 | 6,800 | - |
| University of the Americas, Puebla, Mexico | 11,908 | - | 850 | - | - | - | 700 | - | 500 | - | - | - | 13,958 | - |
| University of North Africa, Tangier, Morocco | - | 100 | - | - | - | - | - | - | - | - | - | - | - | 100 |
| Vellore Christian Medical College & Hospital, Vellore, India | - | - | - | - | - | - | 500 | - | 400 | - | 500 | 450 | 1,850 | - |
| Woodstock School, Mussorie, India | - | - | - | - | - | - | - | - | - | - | 110 | - | 110 | - |
| Working Boys' Center, Quito, Ecuador | 1,700 | - | 825 | - | 300 | - | - | - | - | - | - | - | 2,825 | - |
| Yad Benjamin Educational Center, Netivot, Israel | 750 | - | - | - | - | - | - | - | - | - | - | - | 750 | - |
| Yonsei University, Seoul, Korea | 1,000 | - | - | - | - | - | - | - | - | - | - | - | 1,000 | - |
| Xavier High School, Truk Island, Federated States of Micronesia | - | - | - | - | - | - | - | - | - | - | - | 600 | 600 | - |
| Xavier University, Cagayen de Oro City, Philippines | - | - | 1,550 | - | - | - | - | - | - | - | - | - | 1,550 | - |
| Program Support | 1,487 | - | - | - | - | - | - | - | - | - | - | - | 1,487 | - |
| TOTAL: | 311,231 | 75,374 | 25,000 | 15,750 | 20,000 | 14,300 | 20,000 | 20,000 | 30,000 | 1,103 | 30,000 | 33,495 | 489,726 | 105,424 |

Additional ASHA Obligations

1/ FY 1985 special appropriation $6 million and unlimited U.S. owned Polish Zlotys, of which $3 million and 1.325 billion Zlotys for Clement J. Zablocki Memorial Outpatient Center and $3 million for Hospital equipment obligated to date.

2/ State grant of $2,459,000 in FY 1959; ESF emergency, regular and supplemental no-year for Lebanon appropriations of $36.1 million FY 1981-86 for AUB.

3/ State grant of $400,000 in FY 1959. (FY 1985 AUC endowment appropriation of $50 million equivalent in Egyptian pounds administered by AID Mission).

4/ ESF supplemental no-year appropriations of $2.7 million for BUC and IC in FY 1983 and 1986.

## INTERNATIONAL DISASTER ASSISTANCE

| | |
|---|---|
| Appropriation, 1986 | $22,500,000 |
| Appropriation, 1986 adjusted | 21,532,000 |
| Budget request, 1987 | 25,000,000 |
| House allowance | 19,441,000 |
| Committee recommendation | 20,000,000 |

The Agency for International Development's Office of Disaster Assistance is the U.S. Government's office of first response to disasters around the world. The funds provided in this particular account are basically of a contingency nature, which are used in the event of a disaster.

Following is a table detailing fiscal year 1986 obligations and availabilities of disaster assistance funding as of April 15, 1986:

*Fiscal year 1986 international disaster assistance*

| | |
|---|---|
| Total appropriated as of 1986 | [1] $21,532,500 |
| Relief and rehabilitation (worldwide): | |
| Argentina floods | 25,000 |
| Bolivia floods | 54,738 |
| Burma fire | 24,000 |
| Colombia volcanic eruption | 2,647,370 |
| Guatemala earthquake | 15,000 |
| India floods | 10,000 |
| Madagascar cyclone | 25,000 |
| Madagascar cyclone (fiscal year 1984) | 16,103 |
| Mali locust/quela bird infestation | 35,304 |
| Peru earthquake | 25,000 |
| Peru floods | 27,677 |
| Sierra Leone cholera outbreak | 22,800 |
| Somalia chemical spill | 41,673 |
| Sri Lanka floods | 25,000 |
| Uganda displaced persons | 252,421 |
| Yugoslavia floods | 25,000 |
| Regional disaster supply stockpiles | 1,500,000 |
| Disaster preparedness and technical assistance | 5,000,000 |
| Total programmed or obligated (as of April 1986) | 9,772,086 |
| Balance available | 11,760,414 |

The Committee recommends the appropriation of $20,000,000, $5,000,000 less than the budget request.

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[1] Post-sequestration. Excludes $2,500,000 in fiscal year 1985 borrowed funds carried forward for Mexico earthquake (of which $1,310,378 has been obligated as of April 15, 1986), and $68,750,491 carried forward from the fiscal year 1985 Africa famine relief supplemental (all of which was obligated by March 31, 1986).

## SAHEL DEVELOPMENT PROGRAM

| | |
|---|---|
| Appropriation, 1986 | $80,500,000 |
| Appropriation, 1986 adjusted | 77,038,000 |
| Budget request, 1987 | 80,000,000 |
| House allowance | 69,557,000 |
| Committee recommendation | 70,000,000 |

The Sahel Development Program is a regional response to development problems in eight African countries which together represent one of the poorest regions in the world. The deficiencies and difficulties facing all of these countries affect all segments of their physical surroundings, resources, and trained personnel. The Committee expects that the administration will use the authorities described under "Assistance for Africa" in implementing the funding appropriated under the Sahel Development Program.

The Committee is recommending the appropriation of $70,000,000, $10,000,000 less than the administration's request.

## PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

| | |
|---|---|
| Appropriation, 1986 | $43,122,000 |
| Budget request, 1987 | 45,492,000 |
| House allowance | 45,492,000 |
| Committee recommendation | 45,492,000 |

The Foreign Service Retirement and Disability Fund is a mandatory expense of the Agency for International Development. The Committee recommends the appropriation of the full budget request.

# ECONOMIC SUPPORT FUND

| | |
|---|---|
| Appropriation, 1986 | $3,700,000,000 |
| Appropriation, 1986 adjusted | 3,640,642,000 |
| Budget request, 1987 | 4,093,800,000 |
| House allowance | 3,196,798,000 |
| Committee recommendation | 3,900,000,000 |

The Economic Support Fund [ESF] is distinguished from the rest of the bilateral assistance program by emphasis on political and security considerations in the decisionmaking process establishing country allocations of ESF assistance. The assistance provided under the account takes the form of development aid, cash grants, and Commodity Import Programs. As mentioned elsewhere in this report, approximately one-third of the funding under ESF is for development assistance.

The following table details the Economic Support Fund budget proposal for fiscal year 1987, as well as the estimated level for fiscal year 1986 and the actual level for fiscal year 1985:

ECONOMIC SUPPORT FUND PROGRAM—FISCAL YEARS 1985–87

[In thousands of dollars]

| Region/country | Fiscal year— 1985 actual | 1986 estimated[1] | 1987 request |
|---|---|---|---|
| Africa: | | | |
| Botswana | 10,000 | 7,623 | 8,000 |
| Chad | 5,000 | 9,519 | 7,000 |
| Djibouti | 3,500 | 2,950 | 5,000 |
| Kenya | 25,000 | 14,355 | 22,000 |
| Liberia | 43,000 | 28,203 | 40,000 |
| Madagascar | 3,000 | 2,844 | 4,000 |
| Malawi | [2] 15,000 | | |
| Mali | [2] 18,000 | | |
| Mauritius | [2] 7,000 | 1,914 | 3,000 |
| Mozambique | 13,000 | 9,570 | 15,000 |
| Niger | 5,000 | 4,373 | 7,000 |
| Rwanda | [2] 12,000 | | |
| Senegal | 15,000 | 11,484 | 15,000 |
| Seychelles | 2,000 | 1,914 | 2,500 |
| Somalia | 30,000 | 22,011 | 30,000 |
| Sudan | 114,000 | 54,812 | 90,000 |
| Zaire | [3] 10,415 | 9,527 | 16,000 |
| Zambia | [2] 40,000 | 15,000 | 20,000 |
| Zimbabwe | 28,000 | 9,549 | 11,000 |
| South Africa Republic | | 4,785 | 10,000 |
| Sahel regional | | 678 | |

See footnotes at end of table.

## ECONOMIC SUPPORT FUND PROGRAM—FISCAL YEARS 1985–87—Continued

[In thousands of dollars]

| Region/country | Fiscal year— 1985 actual | Fiscal year— 1986 estimated [1] | Fiscal year— 1987 request |
|---|---|---|---|
| South Africa regional | 18,924 | 28,764 | 30,000 |
| AFEPR | (2) | 48,827 | 75,000 |
| Subtotal | 417,839 | 288,702 | 410,500 |
| Asia/Near East/Europe | | | |
| Afghanistan | 543 | [4] 17,617 | 15,000 |
| Cambodian resistance | | - 3,350 | 5,000 |
| Cyprus | 15,000 | 14,355 | 3,000 |
| Egypt | [5] 1,065,000 | [6] [7] 1,030,596 | 815,000 |
| Fiji | | 957 | 1,500 |
| Israel | [5] 1,950,000 | [6] 1,898,400 | 1,200,000 |
| Jordan | [5] 100,000 | [6] 89,323 | [8] 108,000 |
| Lebanon | [9] 18,775 | [9] 21,886 | 2,000 |
| Morocco | 15,000 | 11,484 | 20,000 |
| Oman | 20,000 | 9,556 | 18,800 |
| Pakistan | 200,000 | 239,250 | 250,000 |
| Philippines | 140,000 | 119,625 | 95,000 |
| Poland | | [10] 4,000 | |
| Portugal | 80,000 | 76,487 | 80,000 |
| Spain | 12,000 | 11,484 | 12,000 |
| South Pacific | | 957 | 1,500 |
| Thailand | [11] 8,000 | 5,000 | 5,000 |
| Tunisia | 20,000 | 18,974 | 20,000 |
| Turkey | 175,000 | 119,625 | 150,000 |
| Asia/Near East regional | [5] 18,202 | [6] 19,316 | 25,000 |
| Subtotal | 3,837,520 | 3,712,242 | 2,826,800 |
| Latin America/Caribbean: | | | |
| Belize | [11] 14,000 | 1,914 | 3,000 |
| Bolivia | | 14,355 | 15,000 |
| Costa Rica | 160,000 | 120,582 | 150,000 |
| Dominican Republic | [11] 95,000 | 40,000 | 50,000 |
| Ecuador | 4,414 | [12] 20,097 | 15,000 |
| El Salvador | [11] 285,000 | 177,045 | 240,000 |
| Guatemala | 12,500 | 47,850 | 70,000 |
| Haiti | 5,000 | 3,471 | 5,000 |
| Honduras | [11] 147,500 | 61,248 | 90,000 |
| Jamaica | 81,000 | 58,000 | 100,000 |
| Panama | [11] 50,000 | 5,742 | 28,000 |
| Peru | | 9,570 | 42,000 |
| Uruguay | | 14,355 | 15,000 |
| Caribbean Regional | [13] 31,128 | 25,172 | 35,000 |
| Central American regional (ROCAP) | [11] 97,993 | 51,678 | 75,000 |
| LAC Regional | 1,490 | 7,433 | 12,000 |
| Subtotal | 985,025 | 658,512 | 945,000 |

See footnotes at end of table.

ECONOMIC SUPPORT FUND PROGRAM—FISCAL YEARS 1985–87—Continued

[In thousands of dollars]

| Region/country | Fiscal year— 1985 actual | 1986 estimated[1] | 1987 request |
|---|---|---|---|
| Other: | | | |
| Oceanographic research | 1,000 | 1,435 | 1,500 |
| American schools and hospitals | [11] 6,000 | | |
| Unallocated/transfer in subtotal | 7,000 | 1,435 | 1,500 |
| Total | [14] 5,247,384 | [15] 4,660,891 | 4,183,800 |

[1] Levels after Gramm-Rudman-Hollings reduction.

[2] The $75,000,000 requested for the African economic policy reform was programmed as follows: Malawi, $15,000,000; Mali, $18,000,000; Mauritius, $5,000,000; Rwanda, $12,000,000; and Zambia, $25,000,000.

[3] Zaire includes an obligation of $415,000 from deobligation/reobligation authority.

[4] Afghanistan includes $1,851,000 obligated as of December 31, 1985, from funds deobligated from the Syria pipeline in fiscal year 1985. The balance available of $1,606,000 carry forward funds will be obligted in fiscal year 1986.

[5] Of the $2,258,000,000 made available from the fiscal year 1985 supplemental, obligations were made as follows: Egypt, $250,000,000; Israel, $500,000,000; Jordan, $80,000,000; and Asia/Near East regional, $3,141,000,000.

[6] Includes carry forward from the fiscal year 1985 supplemental as follows: Egypt, $250,000,000; Israel, $750,000,000; Jordan, $80,000,000, and ANE regional, $4,859,000.

[7] Includes $1,427,000 no-year funds.

[8] Includes $90,000,000 carry forward from the fiscal year 1985 supplemental.

[9] Fiscal year 1986 excludes $16,100,000 transferred by Congress to other accounts. Fiscal year 1987 includes $20,507,000 carry forward from the fiscal year 1983 no-year supplemental and excludes $22,850,000 transferred by Congress to other accounts.

[10] Carry forward from the fiscal year 1984 supplemental funds from Public Law 98–396 for the Zablocki Clinic.

[11] Includes obligations of $290,500,000 of funds made available from Public Law 98–396 fiscal year 1984 supplemental funds as follows: For Central America—Belize, $10,000,000; El Salvador, $90,000,000; Honduras, $72,500,000; Panama, $30,000,000; and Central America regional, [ROCAP], $27,098,000. Other—Dominican Republic, $50,000,000; and Poland, $6,000,000 obligated through American schools and hospitals for the Zablocki Clinic.

[12] Includes $6,000,000 reprogrammed from Somalia deobligations to Ecuador.

[13] Caribbean regional includes obligations in fiscal year 1984 of $46,967,000 and in fiscal year 1985 of $8,033,000 for Grenada from a total of $40,000,000 from the fiscal year 1983 no-year supplemental for Lebanon and $15,000,000 which was deobligated from the Syria pipeline.

[14] Includes $3,000,000 of funds deobligated from the Syria pipeline for use in Thailand.

[15] Excludes $42,794,000 of deobligation/reobligation authority.

*Belize.*—Recognizing the tendency of regional disputes to impair economic development and to deflect resources from their proper uses, the Committee recalls section 703(g) of the International Security and Development Cooperation Act, 1985 (Public Law 99–83), expressing the sense of Congress that the United States should use its good offices and influence to encourage the Government of Guatemala to recognize the independence of Belize and to enter into a mutual nonaggression treaty with Belize.

The Committee notes the deletion of a specific claim to Belize in the 1986 Constitution of Guatemala, which it regards as a step in the direction of resolution of this long-standing issue. The President is requested to take all possible steps to achieve the goals of section 703(g) so that the cause of peace in the region should be further advanced.

*Budgetary constraints.*—The Committee has included bill language which requires that not more than $3,500,000,000 of the funds appropriated for the Economic Support Fund may be obligated prior to October 1, 1987. This action is necessary in order to remain within outlay limitations as mandated by the budget resolution, and is also offered as an alternative to any outlay cap provision as recommended by the House-reported legislation.

*Cash transfers.*—The overall debt situation in countries which receive U.S. assistance, together with our desire to be as helpful as possible to those countries, has resulted in an increasing amount of foreign assistance funding being provided in the form of cash transfers. The provision of this type of assistance is an important element of the U.S. foreign assistance program and the Committee supports it.

Nonetheless, the Committee is concerned that this type of assistance could, in some cases, lead to recipient countries purchasing either agricultural commodities or manufactured goods from third countries in direct competition with the exports of the United States. Therefore, the Committee would expect that in all cases where this type of assistance is provided it be made available in conjunction with the so-called "side letters" arrangement, such as that negotiated with the Government of Israel in 1978 and renewed each year since then. Not having such explicit understandings might well lead to opposition of U.S. assistance programs by U.S. agricultural, manufacturing, and maritime interests. Therefore, the Committee expects such arrangements to be part of cash transfer assistance agreements.

*Cyprus.*—The Committee has earmarked $15,000,000 from the Economic Support Fund for the nation of Cyprus. Although $15,000,000 is already authorized for fiscal year 1987, the Committee strongly believes this earmarking is necessary because of administration attempts to reduce aid levels to Cyprus this past year. This amendment clearly states the intent of this Committee to provide $15,000,000 in ESF for Cyprus.

*Ecuador.*—The new democratic administration of President Febres Cordero deserves recognition for his many accomplishments in pursuit of a free market system. President Febres Cordero has taken courageous and politically unpopular, but necessary, economic reforms, and the Committee applauds these reforms. In addition to that country's already severe economic problems, it is currently suffering balance of payments difficulties due to the drop in oil prices—oil being its principal source of income. The Committee urges the administration to allocate $20,000,000 in Economic Support Funds for Ecuador in fiscal year 1987.

*Egypt.*—The Committee has included an earmark of $815,000,000 in grant assistance for Egypt, $115,000,000 of which shall be as a cash transfer, and $200,000,000 for the Commodity Import Program. The Committee has also included bill language, identical to the House-reported bill, that gives the Agency for International Development the authority to obligate such funds as necessary above the $115,000,000 as direct cash transfer in support of implementation, a comprehensive structural economic reform program of the Government of Egypt. In addition, the Committee has made these excess funds subject to the regular notification process, and requiring detailed descriptions of the reform program. The Committee believes that economic reform is vital to the future stability and economic well-being of Egypt, to U.S. national interests, and to the future of Egyptian-American relations. For that reason, the Committee urges AID to be flexible in its use of this authority, and make any necessary changes in its assistance programming to ensure that real economic reform takes place in Egypt. The Committee is encouraged that the Government of Egypt has begun the difficult task of economic reform, and believes that that government deserves the full cooperation of the United States.

*El Salvador.*—The Committee has again this year included bill language requiring that Economic Support Funds appropriated for El Salvador which are placed in the Central Reserve Bank be maintained in a separate account and not commingled with any other funds. The Committee believes that this provision has expanded the administration's ability to watch over the Economic Support Funds for El Salvador so there has been no question about the integrity of the account or diversion of funds. Additionally, the Committee has included a provision that earmarks up to $1,000,000 of the Economic Support Funds for El Salvador for that government's Special Investigative Unit for the purpose of bringing to justice those responsible for the murders of U.S. citizens in that country.

*Grant assistance.*—The Committee has included bill language that will allow development assistance funds to be utilized as cash grant assistance if the President determines that this will facilitate economic stability and promote long-term development objectives.

*Israel.*—The Committee is recommending the appropriation of $1,200,000,000 under this account for the State of Israel. This amount is to be available on a cash grant transfer basis and is to be provided within 30 days of enactment of this act. The Committee is encouraged with the progress which has been made on economic reform in Israel and compliments not only the Government of Israel, but also the administration for the way in which they have handled this matter over the last year.

*Jamaica.*—Especially since the election to power of the current government in Jamaica, the United States has been extraordinarily generous in its assistance to Jamaica. While the Committee recognizes the severe economic straits confronting that country, and wants to continue to be helpful, it is concerned that some of the policies of the present government are instead contributing to Jamaica's economic problems. Specifically, the Committee is concerned that, notwithstanding expectations which grew out of many of the early policy statements by the government, it has not sufficiently supported a private sector approach to its problems. Indeed, it would appear that the number of parastatals have increased in the country, and the government has acquired more private sector enterprises than even the socialist government which it replaced. While the Committee does not want to add to Jamaica's current problems and does not recommend any changes to the requested assistance programs, it wishes to signal its concern with many of the policies of the current government and to encourage economic reform.

*Mozambique.*—The Committee has again included bill language requiring that any Economic Support Funds made available for Mozambique only be used for private sector activities. The Committee remains skeptical about the Government of Mozambique's desire to move away from a socialist system. However, the Committee believes those in the private sector should be encouraged in their efforts to expand their free market initiatives.

*Tied aid credits.*—The Committee has included bill language providing that not more than $5,000,000 of the Economic Support Fund be available to finance tied aid credits unless the President determines it is in the national interest to provide in excess of that amount. The Committee has also included a specific requirement for notification to Congress, which is similar to the provision carried in last year's legislation.

*West Bank development project.*—The Committee has earmarked up to $15,000,000 in Economic Support Funds for the West Bank Development Program established by King Hussein of Jordan. The Committee notes with approval the recent actions of King Hussein to establish the program, and believes that it will be a useful tool to promote the search for a comprehensive peace in the Middle East.

Jordan's development plan, announced by King Hussein earlier this year, is designed to improve the living standards of the Palestinian people of the West Bank and Gaza. In so doing, Jordan hopes to give the Palestinians an increased stake in a peaceful resolution of the conflict by providing them with improved prospects for economic prosperity and a brighter future.

The Committee notes that the State Department has already provided approximately $4,800,000 in fiscal year 1986 to support the West Bank development plan. In earmarking up to $15,000,000 in additional funds for Jordan in fiscal year 1987, the Committee is signaling its support for Jordan's efforts to creatively find new ways to promote peace. The Committee urges the administration to work with other donor nations to encourage them to assist Jordan in this effort by participating in the program along with the United States.

The Committee recommends the appropriation of $3,900,000,000 for the Economic Support Fund for fiscal year 1987, $264,600,000 less than the budget request, and $759,329,000 more than recommended in the House-reported legislation.

## PEACEKEEPING OPERATIONS

| | |
|---|---|
| Appropriation, 1986 | $34,000,000 |
| Appropriation, 1986 adjusted | 32,538,000 |
| Budget request, 1987 | 39,000,000 |
| House allowance | 29,378,000 |
| Committee recommendation | 34,000,000 |

For fiscal year 1987 the administration is requesting the appropriation of $39,000,000 for activities funded under the peacekeeping operations account.

The administration's request includes $9,000,000 for the U.S. contribution to the U.N. Forces in Cyprus and $30,000,000 for the Multinational Force and Obervers in the Sinai.

The administration has consistently overestimated the U.S. contribution to the MFO, resulting in a minimum of $5,000,000 carryovers each year since the inception of the MFO as shown in the following table:

| Fiscal year | Projected | Actual | Carried over from previous fiscal year |
|---|---|---|---|
| 1982 | $125,000,000 | $113,000,000 | |
| 1983 | 34,500,000 | 22,100,000 | $12,000,000 |
| 1984 | 37,200,000 | 32,200,000 | 9,400,000 |
| 1985 | 28,000,000 | 23,000,000 | 5,000,000 |
| 1986 | 28,300,000 | 18,300,000 | [1]5,000,000 |
| 1987 request | 25,000,000 | | |

[1] Not available for carryover.

Indeed, in the current fiscal year, the administration will return, pursuant to law, $5,000,000 in unused funds. The Committee does not believe the administration has shown justification for an increase in this account from the previous fiscal years, and believes the administration's credibility in estimating the amount needed for this operation is wanting. Therefore, the Committee has recommended the appropriation of $34,000,000 for the Peacekeeping Operations; $9,000,000 for the U.N. Forces in Cyprus; and $25,000,000 for the Multinational Force and Observers in the Sinai. In addition, the Committee has included bill language requiring that unused funds be reverted to the Treasury, language identical to that included in fiscal year 1986.

# OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

| | |
|---|---|
| Appropriation, 1986 | $376,350,000 |
| Appropriation, 1986 adjusted | 360,167,000 |
| Budget request, 1987 | 388,900,000 |
| House allowance | 340,600,000 |
| Committee recommendation | 340,600,000 |

The Committee recommends the appropriation of $340,600,000 for AID operating expenses, the same amount recommended in the House-reported bill.

*International Development Intern Program.*—The Committee continues to strongly support the International Development Intern [IDI] Program. Under the IDI Program, candidates for the Foreign Service undergo a period of training and then are assigned overseas with the Agency for International Development for a period of 2 years. At the end of their tour, the interns may be selected to join the Foreign Service. The Committee has found that the IDI Program has been an extremely effective and useful means of recruiting and training candidates who wish to become Foreign Service Officers. In fiscal year 1986 the Committee earmarked $1,200,000 of the funds made available for AID operating expenses to support the IDI Program. We have not again recommended such an earmarking because of assurances from AID management that the IDI Program for fiscal year 1987 will be as large as that for the current year.

*AID dependent schools.*—In the fiscal year 1986 Foreign Assistance bill, the Committee also earmarked funding for AID dependent schools. Under the authority of section 636(d) of the Foreign Assistance Act, funds may be used to provide assistance outside the United States in order to provide for the education of AID dependents. The Committee has accepted assurances from AID management that support for dependent schools will be continued this year. Accordingly, the Committee has not provided an earmarking in the bill for this purpose.

*Use of program funds.*—The Committee renews its concurrence with the statement of the managers accompanying the conference report on House Joint Resolution 465, the fiscal year 1986 continuing resolution. The conferees determined that the Agency for International Development may charge program-related overseas in-country travel to the relevant program (as opposed to the operating expenses) account. Similarly, the conferees determined that the cost of foreign service nationals who carry out program-related functions may also be charged against the relevant program account. The Committee agrees that such charges, which would also include overseas office maintenance and operations, together with funds appropriated for AID operating expenses shall not exceed $388,900,000.

*Minority set-aside.*—The Committee has recommended bill language which is the same as current law earmarking a minimum of 10 percent of the development assistance funds to be available for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or native Americans.

The following three tables show the funding sources for AID operating expenses, a comparison of operating expenses to program funds, and operating expenses by object, class, and major location.

FUNDING OF AID OPERATING EXPENSES[1]

[In millions of dollars]

| Funding sources | Fiscal year— 1985 actual | Fiscal year— 1986 estimate | Fiscal year— 1987 proposed |
|---|---|---|---|
| Operating expense requirements | 439.8 | 431.9 | 448.8 |
| Less: | | | |
| Dollar fees | 6.6 | 7.5 | 7.6 |
| Local currency trust funds | 35.8 | 41.0 | 46.3 |
| Appropriated funding level | 397.4 | 383.4 | 394.9 |
| Less: | | | |
| Reimbursements | 4.2 | 6.0 | 6.0 |
| Prior-year funds available | 1.3 | 1.4 | |
| Plus: | | | |
| Current-year carried forward | 1.4 | | |
| Lapsed funds[2] | .7 | .3 | |
| New budget authority | 394.0 | 376.3 | 388.9 |
| Less: | | | |
| Gramm-Rudman-Hollings (Public Law 99–177) | | 16.2 | |
| Adjusted budget authority | 394.0 | 360.1 | 388.9 |

---

[1] Excludes operating expense of the Inspector General.

[2] For 1986, pursuant to Public Law 99–190.

## COMPARISON OF OPERATING EXPENSES TO PROGRAM FUNDS[1]

[Fiscal years 1981 thru 1987]

[Dollar amounts in millions]

| | Fiscal year— | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1981 actual | 1982 actual | 1983 actual | 1984 actual | 1985 actual | 1986 estimate | 1987 proposed |
| | In millions of dollars | | | | | | |
| Development assistance | 1,308.9 | 1,396.3 | 1,433.3 | 1,468.2 | 1,862.3 | 1,527.5 | 1,627.0 |
| Economic Support Fund | 2,199.3 | 2,770.3 | 2,971.5 | 3,146.3 | 5,247.4 | 4,660.9 | 4,093.8 |
| Disaster assistance | 53.6 | 73.3 | 104.8 | 207.5 | 127.8 | 21.5 | 25.0 |
| American schools and hospitals abroad | 20.0 | 20.0 | 20.0 | 30.0 | 30.0 | 33.5 | 10.0 |
| Total program | 3,581.8 | 4,259.9 | 4,529.6 | 4,852.0 | 7,267.5 | 6,243.4 | 5,755.8 |
| Operating expenses[2] | 302.8 | 332.1 | 357.0 | 375.4 | 397.4 | 383.4 | 394.9 |
| Total budget | 3,884.6 | 4,592.0 | 4,886.6 | 5,227.4 | 7,664.9 | 6,626.8 | 6,150.7 |
| | Percent | | | | | | |
| Operating expenses as percent of: | | | | | | | |
| Total program | 8.5 | 7.8 | 7.9 | 7.7 | 5.5 | 6.1 | 6.9 |
| Total budget | 7.8 | 7.2 | 7.3 | 7.2 | 5.2 | 5.8 | 6.4 |

[1] Data excludes amounts for Public Law 480 programs and refugee assistance for which AID has extensive management responsibilities, peacekeeping operations, and payments to the Foreign Service Retirement and Disability Fund.

[2] Fiscal years 1986 and 1987 excludes the operating expenses of the Inspector General; fiscal year 1983 and fiscal year 1986 also include OE costs funded from program accounts as authorized by Congress.

## AID OPERATING EXPENSES BY OBJECT CLASS AND MAJOR LOCATION[1]

[In millions of dollars]

| | Fiscal year— | | |
|---|---|---|---|
| Object class | 1985 actual | 1986 estimate | 1987 proposed |
| 11 Personnel compensation: | | | |
| AID Washington | 87.9 | 87.9 | 88.1 |
| Overseas | 113.4 | 97.3 | 109.6 |
| Total | 201.3 | 185.2 | 197.7 |
| 12 Personnel benefits: | | | |
| AID Washington | 9.2 | 9.2 | 9.2 |
| Overseas | 17.9 | 18.2 | 20.0 |
| Total | 27.1 | 27.4 | 29.2 |
| 13 Benefits—Former personnel: | | | |
| AID Washington | .1 | .1 | .1 |
| Overseas | .3 | .2 | .3 |
| Total | .4 | .3 | .4 |

See footnote at end of table.

AID OPERATING EXPENSES BY OBJECT CLASS AND MAJOR LOCATION[1]—Continued

[In millions of dollars]

| Object class | Fiscal year— | | |
|---|---|---|---|
| | 1985 actual | 1986 estimate | 1987 proposed |
| 21 Travel and transportation of persons: | | | |
| AID Washington | 4.2 | 4.0 | 3.9 |
| Overseas | 15.3 | 13.5 | 16.7 |
| Total | 19.5 | 17.5 | 20.6 |
| 22 Transportation of things: | | | |
| AID Washington | .3 | .3 | .3 |
| Overseas | 12.0 | 12.3 | 12.5 |
| Total | 12.3 | 12.6 | 12.8 |
| 23 Rent, communications, and utilities: | | | |
| AID Washington | 12.6 | 14.4 | 15.2 |
| Overseas | 21.8 | 23.2 | 24.9 |
| Total | 34.4 | 37.6 | 40.1 |
| 24 Printing and reproduction: | | | |
| AID Washington | 1.3 | 1.3 | 1.5 |
| Overseas | .2 | .3 | .3 |
| Total | 1.5 | 1.6 | 1.8 |
| 25 Other services: | | | |
| AID Washington | 23.6 | 20.1 | 21.5 |
| Overseas | 43.0 | 39.9 | 45.3 |
| Total | 66.6 | 60.0 | 66.8 |
| 26 Supplies and materials: | | | |
| AID Washington | 1.1 | 1.0 | 1.1 |
| Overseas | 7.1 | 6.7 | 7.0 |
| Total | 8.2 | 7.7 | 8.1 |
| 31 Equipment: | | | |
| AID Washington | 2.1 | 1.4 | 1.4 |
| Overseas | 19.8 | 12.6 | 12.2 |
| Total | 21.9 | 14.0 | 13.6 |
| 32 Lands and structures: | | | |
| AID Washington | | | |
| Overseas | 2.4 | .5 | 1.0 |
| Total | 2.4 | .5 | 1.0 |
| 41 Grants, subsidies, contributions: | | | |
| AID Washington | 1.5 | 2.5 | 2.5 |
| Overseas | | | |
| Total | 1.5 | 2.5 | 2.5 |

See footnote at end of table.

AID OPERATING EXPENSES BY OBJECT CLASS AND MAJOR LOCATION[1]—Continued

[In millions of dollars]

| Object class | Fiscal year— 1985 actual | Fiscal year— 1986 estimate | Fiscal year— 1987 proposed |
|---|---|---|---|
| 42 Insurance claims and indemnities: | | | |
| AID Washington | | | |
| Overseas | .3 | .3 | .3 |
| Total | .3 | .3 | .3 |
| Summary: | | | |
| AID Washington | 142.4 | 139.7 | 142.3 |
| Overseas | 255.0 | 227.5 | 252.6 |
| Total | 397.4 | 367.2 | 394.9 |

[1] Excludes operating expense of the Inspector General.

## OPERATING EXPENSES OF THE OFFICE OF INSPECTOR GENERAL

| | |
|---|---|
| Appropriation, 1986 | $21,050,000 |
| Appropriation, 1986 adjusted | 20,145,000 |
| Budget request, 1987 | 21,750,000 |
| House allowance | 18,189,000 |
| Committee recommendation | 21,750,000 |

The Committee has continued the practice instituted by the Congress last year of providing a separate appropriation for the operations of the inspector general. Foreign aid programs funded by the Agency's appropriations routinely face high levels of risk to fraud, waste, abuse, and mismanagement in the overseas developing world environment in which they are carried out. The Committee is of the firm view that the funds and staffing levels for the Agency's inspector general as approved by the Committee constitute an absolute minimum if the inspector general is to maintain a reasonable level of audit and investigative oversight over foreign aid funds. The Committee, for example, is intimately familiar with the indispensable work of the inspector general's staff in ensuring the integrity of AID funds in the Philippines in the final years of the Marcos regime.

For this year the Committee has allowed in full the amount of $1,600,000 as included in the Agency's congressional presentation for reimbursement to the Agency for general and administrative overhead expenses incurred by the Agency in support of inspector general operations. For future years the Agency and the inspector general, in the interest of simplicity and efficiency, should explore the option of including these costs in the Agency's operating expenses with a commensurate reduction in the inspector general's separate submission.

Finally, with respect to the operations of the inspector general, the Committee has prohibited the expenditure of foreign aid or other appropriations for the purpose of dismantling the existing overseas regional structure of the inspector general's organization. This prohibition is consistent with the Committee's and the Congress' historic insistence that these offices must be maintained in the regions where our aid programs are carried out if their full effectiveness is to be realized.

In view of repetitive efforts to restrict or delete these regional AID inspector general offices, it may be useful to briefly outline the basis for the Committee's position with a view to putting the matter to rest.

—AID is responsible for a complex, multifaceted foreign aid program, carried out in about 70 of the world's lesser-developed countries, with a current investment of many billions of dollars, more than 2,000 active projects and thousands of contracts and grants.

—The AID inspector general must maintain effective audit and investigative oversight over this program with a limited staff of auditors and investigators. In addition, the inspector general is responsible for audit and investigative oversight of the financial, administrative, and logistic systems internal to the Agency, its bureaus and overseas field missions and offices.

—In two specific instances in the past decade the Committee has closely observed the problems encountered by the inspector general in attempting to carry out his responsibilities in the West African and Latin America Caribbean regions from a Washington base.

—Specifically:

—Productivity and report quality suffered.

—Foreign service national support, critical to language and cultural insights, was lost.

—Institutional knowledge of the regions and their countries, cultures, and conditions was diminished.

—By congressional direction the U.S. foreign aid program is one targeted on the poorest of the poor. A majority of the AID inspector general staff spend their working time under most difficult conditions in impoverished rural areas where the poorest of the poor live and work. The constant regimen of long, tiring overseas travel to remote, frequently harsh destinations sapped staff morale and career motivation. Recruitment and retention of competent professionals was adversely affected.

The Committtee has considered and acted on an objection to its position that AID's Inspector General is best served by retaining regional offices overseas. The contrary argument is that even the most diligent of inspectors might find it difficult to carry out an objective and dispassionate investigation or review of programs under the jurisdiction of the AID mission in the country housing the regional office. The Committee finds merit in this argument and directs the Inspector General to take appropriate measures to ensure that such AID missions are audited and reviewed by inspectors who are assigned to positions outside the region.

In summary, it is the Committee's considered judgment that the Agency's mission places appropriations under its control at the highest degree of risk. The Agency's inspector general under the best of conditions faces an extremely challenging task, with an austere-level staff, in ensuring the integrity of Agency operations in dozens of the world's least-developed countries. No other Federal inspector general must carry out his or her responsibilities across such a bewildering array of disparate sovereign nations, cultures, languages, economies, and varying infrastructures, human and material. No other Federal inspector general thus has a more pressing need for the inherent advantages implicit in the regional office structure employed routinely and without question by the inspectors general of the domestic Federal agencies. The Committee is firm in its position that to deliberately reduce and even get the effectiveness of an already over-committed AID inspector general organization by forcing the consolidation of the function in Washington would be an act of administrative and bureaucratic folly. The Committee will not agree to the expenditure of public funds for such a purpose.

The Committee recommends the appropriation of $21,750,000 for the operating expenses of the Office of the Inspector General, the same as the budget request.

The following table shows the Office of the Inspector General's operating expenses by object class.

*Object classification*

| *Identification code* | | *1987 estimate* |
|---|---|---|
| | Personnel compensation: | |
| 11.1 | Full-time permanent | $8,609,750 |
| 11.3 | Other than full-time permanent | 651,100 |
| 11.5 | Other personnel compensation | 502,860 |
| 11.8 | Special personal services | 544,400 |
| 11.9 | Total personnel compensation | 10,308,110 |
| 12.1 | Personnel benefits: Civilian | 1,551,750 |
| 21.0 | Travel and transportation of persons | 1,964,000 |
| 22.0 | Transportation of things | 489,400 |
| 23.1 | Standard level user charges | 455,100 |
| 23.2 | Communications, utilities and other rent | 1,566,000 |
| 24.0 | Printing and reproduction | 1,000 |
| 25.0 | Other services | 4,038,540 |
| 26.0 | Supplies and materials | 41,600 |
| 31.0 | Equipment | 1,334,500 |
| 99.9 | Total obligations | 21,750,000 |

# HOUSING GUARANTY PROGRAM

| | |
|---|---|
| Loan reserve: | |
| Appropriation, 1986 | |
| Budget request, 1987 | $10,000,000 |
| House allowance | |
| Committee recommendation | |
| Limitation on guaranteed loans: | |
| Appropriation, 1986 | (152,000,000) |
| Appropriation, 1986 adjusted | (145,464,000) |
| Budget request, 1987 | |
| House allowance | (145,464,000) |
| Committee recommendation | (145,464,000) |

The Housing Guaranty Program is the Agency for International Development's major effort in the area of shelter and related services. The program finances slum and squatter settlement upgrading, site preparation and services, core housing, low-cost housing units, and community facilities and services. The program underwrites private sector financing through a full faith and credit guarantee. Since its inception in the early 1960's, 185 projects have been carried out in 40 countries.

Due to budget constraints, the Committee is unable to fund the loan reserve as requested by the administration. However, the Committee did provide borrowing authority authorized pursuant to section 223(e)(2) of the Foreign Assistance Act to permit the Housing Guaranty Program to retain an adequate level of contingency reserves for the fiscal year 1987. It is expected that AID would not begin to exercise the borrowing authority until the HIG revolving fund is reduced to a minimal threshold level. This level would be set at an amount necessary to meet anticipated expenses of the program, including claims, administrative and operating expenses and carryover funding needed to assure continued operations at the beginning of the next fiscal year.

The threshold level would be subject to adjustment by AID as circumstances change. However, the intent is to assure sufficient liquidity and working capital to manage the program and portfolio efficiently. The Committee recommends a limitation on guaranteed loans of $145,464,000, the same as recommended in the House-reported legislation.

## OVERSEAS PRIVATE INVESTMENT CORPORATION

| | |
|---|---|
| Limitation on direct loans: | |
| Appropriation, 1986 | ($14,250,000) |
| Appropriation, 1986 adjusted | (13,637,000) |
| Budget request, 1987 | (15,000,000) |
| House allowance | (23,000,000) |
| Committee recommendation | (15,000,000) |
| Limitation on guaranteed loans: | |
| Appropriation, 1986 | (142,500,000) |
| Appropriation, 1986 adjusted | (136,372,000) |
| Budget request, 1987 | (150,000,000) |
| House allowance | (200,000,000) |
| Committee recommendation | (150,000,000) |

The Overseas Private Investment Corporation [OPIC] was created in 1969 as a wholly owned government corporation to mobilize and facilitate the participation of U.S. private capital and skills in the economic and social development of less developed friendly countries and areas, thereby complementing the development assistance objectives of the United States. OPIC's programs include political risk insurance, limited amounts of loan guarantees and direct loans, and reinsurance operations. OPIC does not receive any direct appropriations from Congress, although Congress is responsible for providing yearly limitations of their activities.

The Committee recommends approval of the request for $15,000,000 in direct loans and $150,000,000 in guaranteed loans.

# INTER-AMERICAN FOUNDATION

| | |
|---|---|
| Appropriation, 1986 | $11,969,000 |
| Appropriation, 1986 adjusted | 11,454,000 |
| Budget request, 1987 | 10,800,000 |
| House allowance | 11,800,000 |
| Committee recommendation | 10,800,000 |

The Inter-American Foundation, a highly successful program initiated by Congress and in operation since 1969, supports small scale, community-based development projects and programs in Latin America. The Foundation responds to initiatives by local entities with an emphasis on agriculture and rural development. The principal beneficiaries of the program are, therefore, farmers who are working to increase their production and to expand markets. In urban areas, the Foundation promotes small businesses, as well as organizations whose purpose it is to assist small businesses.

The Committee recommends the appropriation of $10,800,000, the budget request.

## AFRICAN DEVELOPMENT FOUNDATION

| | |
|---|---|
| Appropriation, 1986 | $3,872,000 |
| Appropriation, 1986 adjusted | 3,706,000 |
| Budget request, 1987 | 6,500,000 |
| House allowance | 3,872,000 |
| Committee recommendation | 6,500,000 |

The Committee has recommended the appropriation of $6,500,000 for the African Development Foundation. The Committee is committed to long term development assistance in Africa, and believes the Foundation's approach of funding small scale, grassroots projects deserves its full support. Therefore, the Committee is funding the full budget request, and is including bill language which waives the authorization cap to the Foundation. The Committee believes the situation has changed since the authorizing committees acted on this legislation, and that higher levels are appropriate at this time.

# PEACE CORPS

| | |
|---|---|
| Appropriation, 1986 | $130,000,000 |
| Appropriation, 1986 adjusted | 124,410,000 |
| Budget request, 1987 | 126,200,000 |
| House allowance | 130,000,000 |
| Committee recommendation | 130,000,000 |

The Committee has recommended the appropriation of $130,000,000 for the Peace Corps in fiscal year 1987, the level recommended in the House-reported legislation. This recommendation is $5,590,000 more than provided in fiscal year 1986, and $3,800,000 more than the request. The Committee strongly supports the Peace Corps as demonstrated by its willingness to increase funding over the budget request in each of the past several years. The Peace Corps is in its 25th anniversary year, an event of which all Americans can be proud.

The Committee has included bill language which allows the Peace Corps to purchase up to five passenger motor vehicles for administrative purposes for use outside of the United States. This language is technical in nature and requested by the administration in its budget request.

## INTERNATIONAL NARCOTICS CONTROL

| | |
|---|---|
| Appropriation, 1986 | $57,529,000 |
| Appropriation, 1986 adjusted | 55,055,000 |
| Budget request, 1987 | 65,445,000 |
| House allowance | 65,445,000 |
| Committee recommendation | 65,445,000 |

The Committee recommends the appropriation of $65,445,000 for the Narcotics Control Program of the Department of State, the budget request.

The following table details the proposed functional allocation for fiscal year 1987, and compares it with fiscal year 1986 and fiscal year 1985:

INTERNATIONAL NARCOTICS CONTROL PROGRAM BY FUNCTIONAL ACTIVITY

[Dollars in thousands]

| | Actual fiscal year 1985 | Percent of total | Planned fiscal year 1986 | Percent of total | Request fiscal year 1987 | Percent of total |
|---|---|---|---|---|---|---|
| Crop control/eradication | $14,437 | 29 | $22,581 | 38 | $24,000 | 37 |
| Enforcement assistance and interdiction | 19,800 | 40 | 21,790 | 36 | 23,625 | 36 |
| Income replacement/development assistance | 2,500 | 5 | 1,660 | 3 | 2,150 | 3 |
| International organizations | 2,807 | 6 | 2,675 | 4 | 2,975 | 5 |
| International drug demand reduction | 677 | 1 | 795 | 1 | 920 | 1 |
| Training | 3,673 | 7 | 3,555 | 6 | 4,000 | 6 |
| Program development and support | 6,145 | 12 | 6,988 | 12 | 7,775 | 12 |
| Total program | 50,039 | | 60,044 | | 65,445 | |

The administration has proposed the following allocation of international narcotics control assistance for fiscal year 1987:

## INTERNATIONAL NARCOTICS CONTROL PROGRAM—FISCAL SUMMARY

[In thousands of dollars]

| | Fiscal year 1985 actual | Fiscal year 1986 request[1] | Fiscal year 1987 request |
|---|---|---|---|
| I. Country program: | | | |
| Latin America: | | | |
| Bolivia | 1,537 | 3,650 | 4,675 |
| Brazil | 750 | 690 | 1,225 |
| Colombia | 10,650 | 10,600 | 10,180 |
| Ecuador | 414 | 940 | 845 |
| Mexico | 9,696 | 10,100 | 11,310 |
| Peru | 2,414 | 4,011 | 5,680 |
| Latin America regional | 2,553 | [2] 7,000 | 4,000 |
| Subtotal | 28,014 | 36,991 | 37,915 |
| East Asia: | | | |
| Burma | 5,515 | 5,540 | 8,825 |
| Thailand | 2,704 | 3,600 | 4,270 |
| Subtotal | 8,219 | 9,140 | 13,095 |
| Southwest Asia: | | | |
| Pakistan | 3,043 | 3,480 | 2,850 |
| Turkey | 900 | 850 | 1,000 |
| Asia/Africa regional | 275 | 365 | 300 |
| Subtotal | 4,218 | 4,695 | 4,150 |
| Total country programs | 40,451 | 50,826 | 55,160 |
| II. International organizations: | | | |
| Colombo plan | 75 | 70 | 75 |
| U.N. Fund for Drug Abuse Control | 2,732 | 2,605 | 2,900 |
| Subtotal | 2,807 | 2,675 | 2,975 |
| III. Inter-regional programs: | | | |
| Demand reduction | 377 | 370 | 420 |
| DEA training | 2,223 | 2,145 | 2,420 |
| Customs training | 1,150 | 1,130 | 1,280 |
| INM EOP training | 300 | 280 | 300 |
| Subtotal | 4,050 | 3,925 | 4,420 |
| IV. Program development and support | 2,731 | 2,618 | 2,890 |
| Total INM Program | 50,039 | 60,044 | 65,445 |

[1] Fiscal year 1986 amounts reflect Gramm-Rudman-Hollings and OMB reductions (OMB Bulletin No. 86–1, Supp. No. 2, dated 12/27/85).

[2] Includes a transfer-in of $5,000,000 from Lebanon Economic Support Fund.

## MIGRATION AND REFUGEE ASSISTANCE

| | |
|---|---|
| Appropriation, 1986 | $338,930,000 |
| Appropriation, 1986 adjusted | 324,356,000 |
| Budget request, 1987 | 347,525,000 |
| House allowance | 347,525,000 |
| Committee recommendation | 346,856,000 |

The administration has requested the appropriation of $347,525,000 for this program in fiscal year 1987. The administration proposes that this request be distributed as follows:

*Migration and refugee assistance fiscal year 1987 budget request*

| | |
|---|---|
| Refugee admissions to the United States: | |
| Refugee processing abroad | $15,250,000 |
| Transportation | 36,000,000 |
| Reception and placement grants | 37,800,000 |
| Training and orientation | 20,050,000 |
| Subtotal | 109,100,000 |
| Indochinese Refugee Program: | |
| UNHCR program in Southeast Asia | 15,000,000 |
| ODP | 600,000 |
| Antipiracy/Rescue at Sea Program | 1,750,000 |
| Khmer relief | 12,000,000 |
| Subtotal | 29,350,000 |
| African Refugee Program: | |
| Contributions to international organizations | 57,500,000 |
| Special projects | 2,975,000 |
| Subtotal | 60,475,000 |
| Near East Program: | |
| Relief for Afghan refugees | 20,500,000 |
| United Nations Relief and Works Agency | 67,000,000 |
| Subtotal | 87,500,000 |
| Latin American Program | 17,700,000 |
| Refugees to Israel | 25,000,000 |
| International organizations: | |
| Intergovernmental Committee for Migration | 5,400,000 |
| International Committee of the Red Cross | 4,500,000 |
| Subtotal | 9,900,000 |

*Migration and refugee assistance fiscal year 1987 budget request*—Continued

| | |
|---|---|
| Administrative expenses | $8,500,000 |
| Total | 347,525,000 |

NOTE.—The above table details the Department of State's budget request for the Office of Refugee Programs only. Activities carried out by the Office of the U.S. Coordinator for Refugee Affairs are funded by the Office of the Secretary of State.

The Committee recommends the appropriation of $346,856,000 for this account, $669,000 below the budget request.

The following table details the Department of State's administrative request for the Office of Refugee Programs:

*Refugee related operating expenses fiscal year 1987 budget request*

| | |
|---|---|
| Object class: | |
| Salaries | $5,019,000 |
| Benefits | 681,000 |
| Travel of persons | 642,000 |
| Transportation of things | 64,000 |
| Communications, utilities, and other rents | 690,000 |
| Printing and reproduction | 42,000 |
| Other services | 975,000 |
| Supplies and material | 129,000 |
| Equipment | 258,000 |
| Total | 8,500,000 |

*Administrative expenses.*—The Committee is providing $8,500,000 for administrative expenses, an increase of $350,000 over last year's sequestrated level. This increase will cover reductions resulting from fiscal year 1986 sequestration of funds, price increases, and an additional personnel position in Islamabad. The Committee believes that the administration is justified in asking for an additional position to monitor contributions to the United Nations High Commissioner for Refugees and voluntary agencies assisting Afghan refugees.

*Ethiopian Jewry.*—The U.N. Food and Agricultural Organization confirms that Ethiopia is still the country hardest hit by the African famine which in 1985 claimed 300,000 Ethiopian lives. Today, close to 6 million Ethiopians are endangered by food shortages. Gondar Province, where most of the Jews in Ethiopia are located, remains one of the pockets of hunger in Ethiopia. Often, fighting between government and rebel forces in neighboring Tigre Province impedes food deliveries along the one main road to northern Gondar. Furthermore, the absence of adequate medical care poses the threat that a single epidemic could claim many lives. State Department sources confirmed reports of typhus in Gondar last year. The Committee recognizes and commends the Department of State for its efforts to date to help the endangered Jewish community in Ethiopia. The Committee believes that a concerted and ongoing family reunification program for Ethiopian Jews would serve the twofold purpose of bringing a larger number of Ethiopian Jews to safety, as well as reducing the strain on an overburdened medical service and food delivery system. Consequently, the Committee directs the Department of State to do everything possible to help foster and promote a significant family reunification program to enable the Jews still in Ethiopia to rejoin their relatives living abroad.

*Hemispheric migration project [HMP].*—This project, which the Committee strongly supports, has successfully completed the second year of this 4-year research and policy endeavor. In its first 2 years, the HMP has provided us with scientific research and policy analysis that tackle the hard questions posed by labor migration and refugees in the Americas. In fiscal year 1987 the HMP will launch pathbreaking Central American refugee research that will help us to tailor our refugee assistance programs to the needs of this highly vulnerable population.

*Southeast Asia refugee protection.*—The Committee commends the Secretary's initiative in forming an independent high-level panel, the Ray panel, to review the Indochinese refugee situation and to recommend changes in U.S. refugee policy. The Committee hopes that the recommendations developed by the panel will form the basis for a renewed commitment to the refugees of that region. Given the fragile first asylum situation in Thailand and other refugee-receiving countries of Southeast Asia, and the continuing need for vigilant protection of Indochinese refugees in these countries, the Committee urges the Department of State to play a more aggressive and effective role in working with countries of asylum and the UNHCR to preserve first asylum and to better protect and care for refugees. The basic thrust of the Ray panel report lies in this direction. The Department and Embassies and Consulates abroad should monitor key protection issues, report comprehensively and rapidly and use the U.S. Government's influence in a timely and effective manner. Key current protection issues include, but are not limited to: availability of screening to highlander refugees from Laos seeking to enter Thailand; the need for continuing international protection for refugees at Khao I Dang; and protection monitoring for those seeking first asylum at all camps throughout the region. The Committee does not believe that the relatively peaceful dry season of 1985 provides any assurance that the 165,000 Khmer refugees living less than 2 miles from a Vietnamese military outpost are insulated from threat of attack.

The Committee is particularly concerned that the Department of State has not fulfilled its commitment to safeguard the land Vietnamese refugees currently imperiled at site II along the Thai-Cambodian border. Despite an earmark of $2,500,000 in fiscal year 1986 appropriations bill for the movement of the overland Vietnamese from the Dong Ruk camp to a protected site, their situation today is only marginally safer than that of 1 year ago. Accordingly, the Committee again directs the Department to actively negotiate with the government of Thailand in an effort to move these refugees to a safer location. The Committee understands from statements made by the Secretary of State the processing for resettlement of P–6 land Vietnamese cases is contingent upon the relocation of the camp, and, therefore, the Committee underscores the urgency of relocation, especially in light of the impending dangers of the approaching dry season.

With regard to the Orderly Departure Program, the Committee is concerned that the program is currently at a near standstill. The Committee fully recognizes that this impasse preempts any progress on the resolution of the issues of family reunification, Amerasian children and Vietnamese held in reeducation camps. These issues are of great significance to this Committee.

The Committee is also concerned about the slow rate with which the humanitarian parole process promised by the Secretary of State is being implemented. Although the Congress has consistently indicated its concerns about the protection and processing of Khmer refugees, and despite the Secretary's declaration in September 1985 of a new border processing program, the Committee looks askance at the exceptionally small number of border Khmer refugees processed pursuant to this program.

*Piracy.*—The Committee renews its support of international efforts to combat piracy of vessels carrying Vietnamese refugees to countries of first-asylum. The Committee is impressed with the Thai Government's performance in patroling against and arresting pirates in the gulf, and urges further initiatives to safeguard refugees from rape, robbery, and murder in their flight from their homeland.

*Refugee processing and carryovers.*—The Committee consistently has maintained that appropriations for refugee processing are based on best estimates of fiscal year INS approvals. So it is with displeasure that the Committee learns that, contrary to State Department assurances at hearings this spring, there was a nearly 10,000 person drain of the carryover figure during this past fiscal year. This is unacceptable and portends less than full funding for fiscal year 1988 refugee processing requests. The Committee is unimpressed with the representations made by the Bureau for Refugee Programs on accounting for dollars appropriated since numbering on the basis of U.S. admissions is not a fair measurement of costs incurred and has not always been the Department's justification for past appropriations requests.

*ICARA II.*—It is the hope of the Committee that some funds under this account may be available for critical refugee rehabilitation programs, mainly in Africa. Failure to provide for the rehabilitation of Ethiopian refugees in Sudan or Somalia, for example, dooms those refugees to an endless cycle of dependence upon very expensive international assistance.

However, it is the view of the Committee that many of these activities should also take place within the context of a total U.S. response to the needs of developing countries. The Committee notes, for example, that AID country development strategy statements make but brief reference to refugee populations. The Committee requests, therefore, with regard to those developing countries impacted by the presence of significant numbers of refugees for whom local settlement is necessary, that the Department of State ensure that such refugees are included in U.S. Government development strategies, plans, and programs, and bilateral and multilateral funding for programs in these countries. In such cases, an explicit process of planning and consultation should occur between the relevant offices of the Department of State, such as the Bureau for Refugee Programs and AID.

# EMERGENCY REFUGEE AND MIGRATION ASSISTANCE

| | |
|---|---|
| Appropriation, 1986 | |
| Budget request, 1987 | $25,000,000 |
| House allowance | 25,000,000 |
| Committee recommendation | |

The administration has requested the appropriation of $25,000,000 to replenish the Emergency Refugee and Migration Assistance Fund. Due to budgetary constraints, the Committee is unable to fund this appropriation in fiscal year 1987. However, the Committee believes that by fully funding the "Migration and refugee assistance" account, programs for refugees will not suffer. However, if special circumstances warrant it, the Committee will consider supplemental funding.

## ANTITERRORISM ASSISTANCE

| | |
|---|---|
| Appropriation, 1986 | $7,420,000 |
| Appropriation, 1986 adjusted | 11,941,000 |
| Budget request, 1987 | 9,840,000 |
| House allowance | 9,840,000 |
| Committee recommendation | 9,840,000 |

Antiterrorism assistance is a program begun in fiscal year 1984 as a response to international terrorists tactics such as hostage taking and aircraft hijacking. The basic purpose of this program is to train civil foreign law enforcement officials and the provision of equipment which will serve to prevent, deter, and respond to international terrorism.

The Committee notes that several of the countries which may participate in this program are developed countries who can easily bear the expense involved in training and other activities of the program. Therefore, the Committee would again express its expectation that none of these funds would be used for such countries.

The Committee recommends the appropriation of $9,840,000, the budget request.

# TITLE III

# MILITARY ASSISTANCE

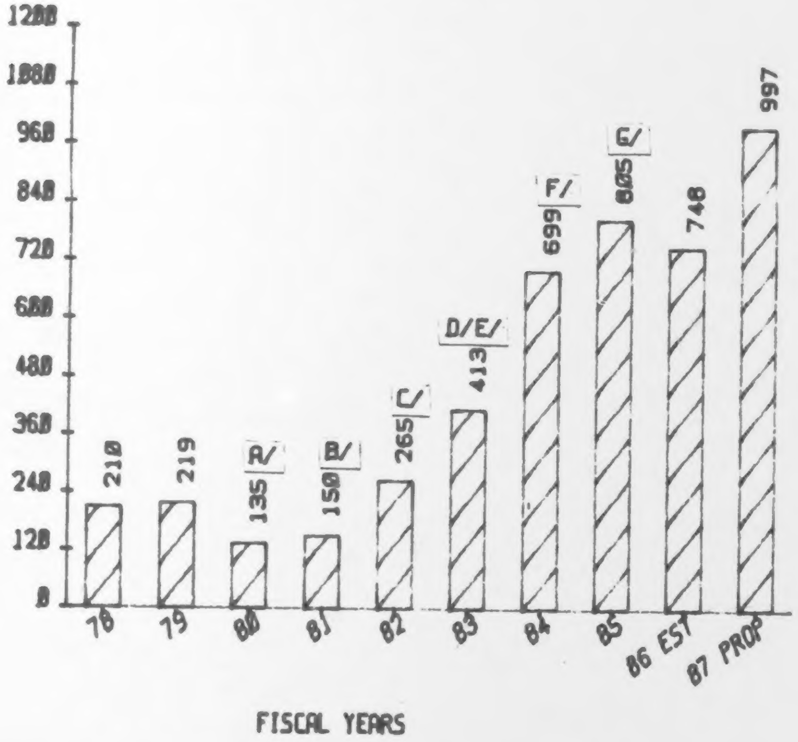
## MILITARY ASSISTANCE GRANTS

| | |
|---|---|
| Appropriation, 1986 | $782,000,000 |
| Appropriation, 1986 adjusted | 798,374,000 |
| Budget request, 1987 | 1,046,450,000 |
| House allowance | 675,697,000 |
| Committee recommendation | |

As discussed under the section of the report concerning budgetary constraints on foreign assistance programs, the Committee is recommending the elimination of the military assistance grant program. This action, together with the recommendation for grant FMS, results in significant outlay savings as well as desired reform of U.S. military assistance overall. In eliminating this account, the Committee is not, therefore, suggesting that countries, international organizations, programs, and projects or activities which were scheduled to receive assistance under MAP no longer receive such assistance, but instead that they should receive grant assistance under the FMS program.

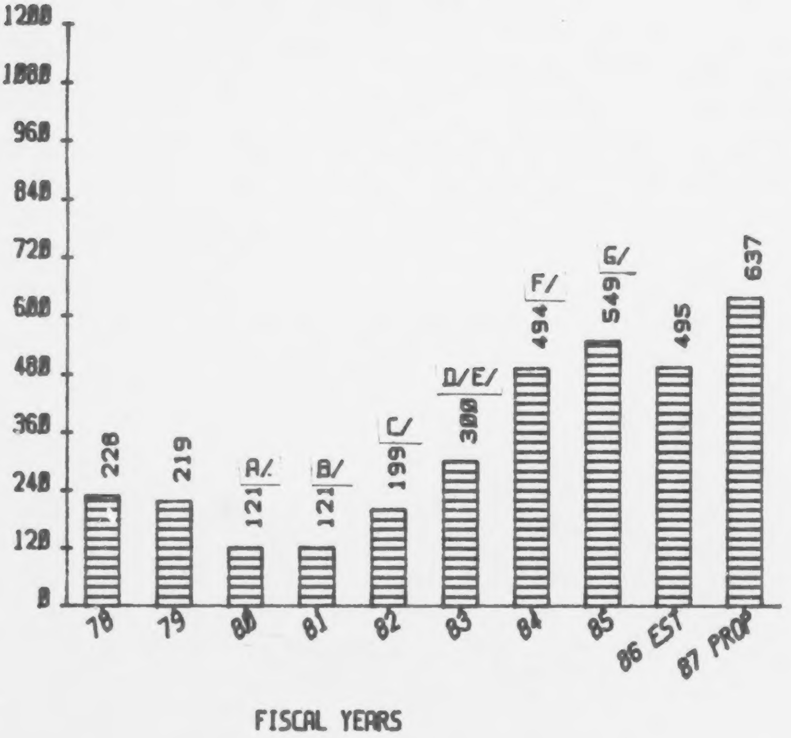
The following graphs illustrate the funding of this program in current and constant dollars since fiscal year 1978:

### MILITARY ASSISTANCE PROGRAM
### FY 1978-1987
### CURRENT DOLLARS IN MILLIONS



A/ Includes $1.1 million of section 506(a) drawdown authority.
B/ Includes $26 million of section 506(a) drawdown authority.
C/ Includes $55 million of section 506(a) drawdown authority.
D/ Includes a supplemental of $93.3 million.
E/ Includes $25 million of section 506(a) drawdown authority.
F/ Includes a supplemental of $201.8 million.
G/ Includes $18.5 million appropriated in fiscal year 1984 for Regional Military Training Center [RMTC] but reprogrammed in fiscal year 1985 as follows: $2 million for Costa Rica, $10 million for EL Salvador, and $6.5 million for Honduras.

MILITARY ASSISTANCE PROGRAM
FY 1978-1987
MILLIONS OF CONSTANT FY 1979 DOLLARS



A/ Includes $1 million of section 506(a) drawdown authority.
B/ Includes $21 million of section 506(a) drawdown authority.
C/ Includes $41.4 million of section 506(a) drawdown authority.
D/ Includes a supplemental of $67.8 million.
E/ Includes $18.2 million of section 506(a) drawdown authority.
F/ Includes a supplemental of $142.5 million.
G/ Includes $12.6 million appropriated in fiscal year 1984 for Regional Military Training Center [RMTC] but reprogrammed in fiscal year 1985 as follows: $1.4 million for Costa Rica, $6.8 million for EL Salvador, and $4.4 million for Honduras.

The following table provides country level detail of the current and proposed Military Assistance Program.

## MILITARY ASSISTANCE PROGRAM BUDGET AUTHORITY/OBLIGATIONS

[In thousands of dollars]

| Country | Actual fiscal year 1985 | Estimated fiscal year 1986 | Proposed fiscal year 1987 |
|---|---|---|---|
| East Asia and Pacific: | | | |
| Burma | 0 | 0 | 1,000 |
| Fiji | 300 | 287 | 300 |
| Philippines | 25,000 | 38,280 | 50,000 |
| Thailand | 5,000 | 4,785 | 5,000 |
| Regional total | 30,300 | 43,352 | 56,300 |
| Near East and South Asia: | | | |
| Morocco | 40,000 | 33,495 | 60,000 |
| Tunisia | 15,000 | 33,495 | 40,000 |
| Yemen | 5,000 | 1,914 | 5,000 |
| Regional total | 60,000 | 68,904 | 105,000 |
| Europe and Canada: | | | |
| Portugal | 70,000 | 66,900 | 75,000 |
| Turkey | 215,000 | 205,755 | 220,000 |
| Regional total | 285,000 | 272,745 | 295,000 |
| Africa: | | | |
| Botswana | 4,000 | 3,350 | 6,000 |
| Central African Republic | 0 | 0 | 1,000 |
| Chad | 5,000 | 5,742 | 9,000 |
| Civic action—Africa | 5,000 | 4,785 | 10,000 |
| Djibouti | 2,500 | 1,914 | 3,000 |
| Equatorial Guinea | 0 | 957 | 1,000 |
| Guinea | 3,000 | 1,914 | 5,000 |
| Kenya | 20,000 | 19,140 | 20,000 |
| Liberia | 12,000 | 4,785 | 8,000 |
| Madagascar | 2,050 | 1,435 | 3,000 |
| Malawi | 1,000 | 957 | 2,000 |
| Niger | 5,000 | 3,828 | 4,000 |
| Senegal | 3,000 | 2,870 | 4,500 |
| Somalia | 33,000 | 19,140 | 35,600 |
| Sudan | 45,000 | 19,140 | 50,000 |
| Zaire | 7,000 | 6,699 | 12,000 |
| Regional total | 147,550 | 96,656 | 174,100 |
| American Republics: | | | |
| Belize | 500 | 479 | 1,000 |
| Bolivia | 3,000 | 2,870 | 6,000 |
| Colombia | 0 | 0 | 10,000 |
| Costa Rica | 13,000 | 2,393 | 3,100 |
| Dominican Republic | 5,000 | 3,828 | 7,000 |
| Eastern Caribbean | 5,000 | 7,178 | 9,000 |
| Ecuador | 2,000 | 0 | 8,000 |
| El Salvador | 134,750 | 125,367 | 134,650 |
| Guatemala | 0 | 4,785 | 10,000 |
| Haiti | 300 | 479 | 500 |
| Honduras | 72,800 | 58,664 | 87,500 |
| Jamaica | 7,360 | 7,656 | 8,000 |

MILITARY ASSISTANCE PROGRAM BUDGET AUTHORITY/OBLIGATIONS—Continued

[In thousands of dollars]

| Country | Actual fiscal year 1985 | Estimated fiscal year 1986 | Proposed fiscal year 1987 |
|---|---|---|---|
| American Republics—Continued | | | |
| Panama | 10,000 | 3,828 | 9,800 |
| Uruguay | 0 | 0 | 2,500 |
| Regional total | 253,710 | 217,527 | 317,050 |
| Nonregional: | | | |
| Financial adjustment | -25,460 | 0 | 0 |
| General costs | 54,000 | 48,233 | 48,000 |
| Narcotics aircraft | 0 | 957 | 1,000 |
| Nonregional total | 28,540 | 49,190 | 49,000 |
| Total budget authority/obligations | 805,100 | 748,374 | 996,450 |

NOTE: Countries included in Eastern Caribbean are Anguilla, Antigua, Barbados, British Virgin Islands, Dominica, Grenada, Montserrat, St. Christopher-Nevis, St. Lucia, and St. Vincent and the Grenadines.

Below is a list of the names and assignments of those flag and general officers currently assigned to the Military Assistance Program:

*Flag and general officers*

| *Officer and country* | *Assignment* |
|---|---|
| Lt. Gen. Philip C. Gast (USAF) United States. | Director, DSAA. |
| Maj. Gen. E.C. O'Connor (USA) United States. | Commander, USA Security Assistance Center. |
| Rear Adm. T.A. Almstedt, Jr. (USN) United States. | Director, Security Assistance Division, DCNO (Plans, Policy, and Operations). |
| Brig. Gen. R.S. Delligatti (USAF) United States. | Director, International Programs, DCS, Programs and Resources. |
| Maj. Gen. C.W. Brown (USA) United States. | Assistant Deputy Chief of Staff for Logistics, Security Assistance. |
| Maj. Gen. J.C. Lutz (USA) Greece | Chief, JUSMAG. |
| Maj. Gen. J.P. Franklin (USA) Spain | Chief, JUSMAAG. |
| Maj. Gen. E.D. Pendleton (USA) Turkey. | Chief, JUSMMAT. |
| Maj. Gen. R.L. Violett (USAF) Saudi Arabia. | Chief, USMTM. |
| Maj. Gen. T.P. Graham (USA) Korea | Chief, JUSMAG. |
| Maj. Gen. R.D. Wiegand (USA) Egypt | Chief, OMC. |
| Brig. Gen. W.H. Riley (USA). | USA Project Manager, SANG Modernization Program. |
| Brig. Gen. T.G. Allen (USA) Philippines | Chief, JUSMAG. |
| Brig. Gen. G.M. Baxter (USA) Pakistan | Chief, ODRP. |

## INTERNATIONAL MILITARY EDUCATION AND TRAINING

| | |
|---|---|
| Appropriation, 1986 | $54,489,500 |
| Appropriation, 1986 adjusted | 52,146,500 |
| Budget request, 1987 | 68,830,000 |
| House allowance | 47,082,000 |
| Committee recommendation | 65,000,000 |

The International Military Education and Training Program [IMET] request for fiscal year 1987 totals $68,830,000. The program would be funded in the following manner:

INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM

| | Actual fiscal year 1985 | Estimated fiscal year 1986 | Proposed fiscal year 1987 |
|---|---|---|---|
| International Military Education and Training Program | $56,221,000 | $52,147,000 | $68,830,000 |
| Unobligated programs | -600,000 | | |
| Total obligations | 55,621,000 | 52,147,000 | 68,830,000 |
| Unobligated balance lapsing | 600,000 | | |
| Budget authority (appropriation) | 56,221,000 | 52,147,000 | 68,830,000 |
| Outlays | 43,721,000 | 52,988,000 | 59,497,000 |

The administration's proposal would provide instruction and training in military skills and U.S. military doctrine to the armed forces and military civilian personnel of friendly countries as shown in the following table:

INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM

BUDGET AUTHORITY/OBLIGATIONS

[In thousands of dollars]

| Country | Actual fiscal year 1985 | Estimated fiscal year 1986 | Proposed fiscal year 1987 |
|---|---|---|---|
| East Asia and Pacific: | | | |
| Burma | 224 | 239 | 350 |
| Fiji | 95 | 96 | 125 |
| Indonesia | 1,809 | 1,914 | 2,800 |
| Korea | 1,943 | 1,818 | 2,200 |
| Malaysia | 981 | 909 | 1,235 |
| Papua-New Guinea | 52 | 48 | 85 |
| Philippines | 2,167 | 2,105 | 2,750 |
| Singapore | 50 | 48 | 75 |
| Solomon Islands | 30 | 29 | 60 |

## INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM—Continued

### BUDGET AUTHORITY/OBLIGATIONS—Continued

[In thousands of dollars]

| Country | Actual fiscal year 1985 | Estimated fiscal year 1986 | Proposed fiscal year 1987 |
|---|---|---|---|
| East Asia and Pacific: | | | |
| Thailand | 2,318 | 2,201 | 2,500 |
| Tonga | 47 | 48 | 60 |
| Regional total | 9,716 | 9,455 | 12,240 |
| Near East and South Asia: | | | |
| Algeria | 64 | 48 | 150 |
| Bangladesh | 336 | 263 | 370 |
| Egypt | 1,675 | 1,723 | 2,000 |
| India | 282 | 311 | 400 |
| Jordan | 1,877 | 1,675 | 2,000 |
| Lebanon | 705 | 478 | 800 |
| Maldives | 22 | 24 | 55 |
| Morocco | 1,479 | 1,435 | 1,850 |
| Nepal | 125 | 96 | 125 |
| Oman | 155 | 144 | 205 |
| Pakistan | 970 | 885 | 1,400 |
| Sri Lanka | 148 | 144 | 185 |
| Tunisia | 1,603 | 1,435 | 1,800 |
| Yemen | 1,378 | 1,148 | 1,550 |
| Regional total | 10,819 | 9,809 | 12,890 |
| Europe and Canada: | | | |
| Austria | 49 | 57 | 75 |
| Finland | 32 | 48 | 75 |
| Greece | 1,366 | 1,244 | 1,750 |
| Iceland | 22 | 29 | 50 |
| Ireland | 0 | 0 | 50 |
| Luxembourg | 0 | 29 | 0 |
| Portugal | 2,959 | 2,297 | 3,000 |
| Spain | 2,926 | 2,297 | 3,000 |
| Turkey | 3,590 | 3,158 | 4,000 |
| Yugoslavia | 96 | 96 | 160 |
| Regional total | 11,040 | 9,255 | 12,160 |
| Africa: | | | |
| Benin | 83 | 48 | 75 |
| Botswana | 287 | 287 | 400 |
| Burkina Faso | 17 | 48 | 150 |
| Burundi | 141 | 144 | 170 |
| Cameroon | 147 | 191 | 300 |
| Cape Verde | 70 | 57 | 100 |
| Central African Republic | 108 | 96 | 165 |
| Chad | 207 | 191 | 250 |
| Comoros | 0 | 29 | 50 |
| Congo | 0 | 48 | 90 |
| Djibouti | 126 | 96 | 150 |
| Equatorial Guinea | 71 | 57 | 130 |
| Gabon | 125 | 144 | 150 |
| Gambia | 62 | 57 | 75 |
| Ghana | 293 | 215 | 300 |
| Guinea | 122 | 144 | 150 |
| Guinea-Bissau | 4 | 48 | 75 |

## INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM—Continued

### BUDGET AUTHORITY/OBLIGATIONS—Continued

[In thousands of dollars]

| Country | Actual fiscal year 1985 | Estimated fiscal year 1986 | Proposed fiscal year 1987 |
|---|---|---|---|
| Africa—Continued | | | |
| Ivory Coast | 161 | 120 | 150 |
| Kenya | 1,693 | 1,627 | 1,800 |
| Liberia | 1,157 | 981 | 1,400 |
| Madagascar | 55 | 72 | 75 |
| Malawi | 218 | 191 | 300 |
| Mali | 156 | 144 | 150 |
| Mauritania | 77 | 48 | 75 |
| Niger | 214 | 239 | 275 |
| Nigeria | 0 | 96 | 100 |
| Rwanda | 62 | 57 | 75 |
| Sao Tome | 0 | 43 | 50 |
| Senegal | 524 | 478 | 500 |
| Seychelles | 17 | 48 | 60 |
| Sierra Leone | 60 | 57 | 100 |
| Somalia | 1,132 | 1,101 | 1,550 |
| Sudan | 1,430 | 1,148 | 1,750 |
| Swaziland | 50 | 48 | 60 |
| Tanzania | 0 | 0 | 75 |
| Togo | 43 | 72 | 75 |
| Uganda | 6 | 96 | 200 |
| Zaire | 1,341 | 1,292 | 1,600 |
| Zimbabwe | 214 | 191 | 250 |
| Regional total | 10,473 | 10,049 | 13,450 |
| American Republics: | | | |
| Argentina | 0 | 10 | 100 |
| Bahamas | 44 | 48 | 60 |
| Belize | 100 | 72 | 100 |
| Bolivia | 360 | 287 | 400 |
| Brazil | 0 | 10 | 100 |
| Chile | 0 | 0 | 100 |
| Colombia | 826 | 837 | 950 |
| Costa Rica | 231 | 191 | 250 |
| Dominican Republic | 721 | 694 | 850 |
| Eastern Caribbean | 348 | 374 | 400 |
| Ecuador | 688 | 670 | 650 |
| El Salvador | 1,500 | 1,435 | 1,600 |
| Guatemala | 455 | 287 | 500 |
| Guyana | 0 | 0 | 50 |
| Haiti | 443 | 431 | 600 |
| Honduras | 1,104 | 1,053 | 1,300 |
| Jamaica | 283 | 239 | 300 |
| Mexico | 200 | 191 | 250 |
| PACAMS | 5,106 | 2,105 | 3,000 |
| Panama | 589 | 574 | 750 |
| Paraguay | 95 | 48 | 125 |
| Peru | 657 | 703 | 850 |
| Suriname | 42 | 48 | 50 |
| Trinidad-Tobago | 39 | 48 | 50 |
| USARSA | 0 | 2,852 | 4,000 |

INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM—Continued

BUDGET AUTHORITY/OBLIGATIONS—Continued

[In thousands of dollars]

| Country | Actual fiscal year 1985 | Estimated fiscal year 1986 | Proposed fiscal year 1987 |
|---|---|---|---|
| American Republics—Continued | | | |
| Uruguay | 100 | 96 | 125 |
| Venezuela | 96 | 72 | 150 |
| Regional total | 14,027 | 13,375 | 17,660 |
| Total country programs | 56,075 | 51,943 | 68,400 |
| General costs | 146 | 204 | 430 |
| Total budget authority/obligations | 56,221 | 52,147 | 68,830 |

NOTE: Countries included in Eastern Caribbean are Anguilla, Antigua, Barbados, British Virgin Islands, Dominica, Grenada, Montserrat, St. Christopher-Nevis, St. Lucia, and St. Vincent and the Grenadines.

*U.S. Army School of the Americas [USARSA].*—The Committee is recommending approval of the administration's request for the U.S. Army School of the Americas. However, pursuant to an agreement with the Department of Defense and the Department of State, bolstered by legislative history established by this Committee over the past 10 years, this will be the last year funding for this institution is provided under the IMET account. Subsequent to the school's departure from Panama, the Department of Defense decided to locate the institution at Fort Benning, GA, and, therefore, future funding will come from the regular Department of Defense budget.

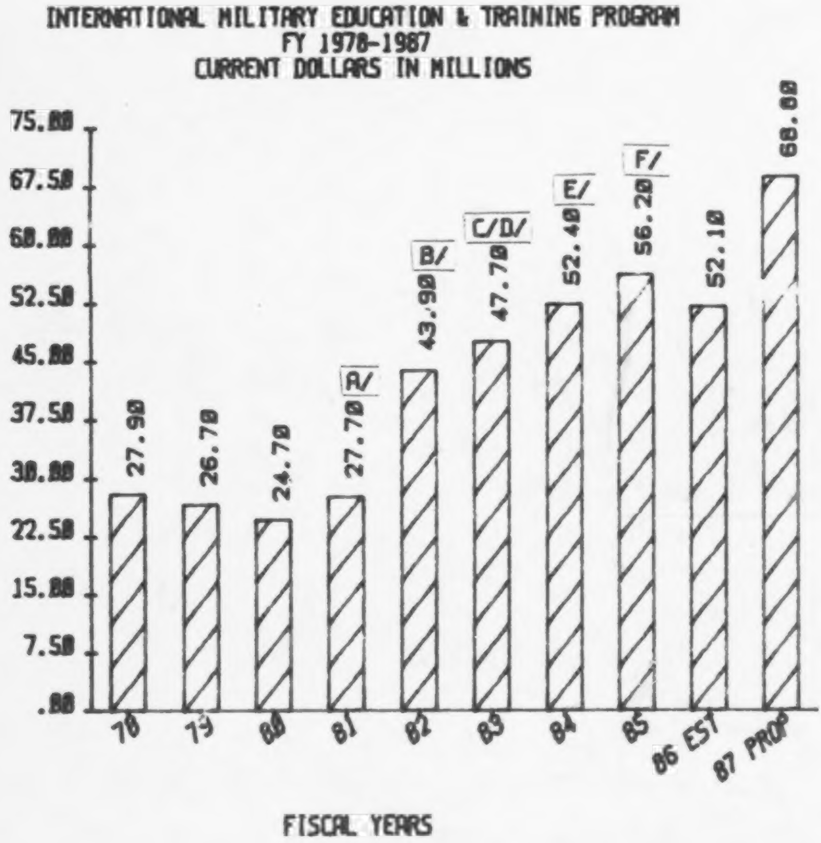
*Gabon.*—The Committee notes the contribution of the Government of Gabon to U.S. security interests in Africa, particularly its provision of military transit facilities to friendly nations and port visits for U.S. naval ships. Currently, the only source of U.S. assistance to Gabon is through the IMET program, which provides a small but important symbol of U.S. support. Such training and technical assistance is particularly suited for the needs of Gabon, the support of U.S.-supplied equipment, and the maintenance of U.S. interests in the area.

The Committee notes that the country of Gabon and its head of state, President Bongo, is a long-standing friend of the United States, whose political and economic policies provide an enviable example to other African countries, and, in addition, Gabon has been a staunch defender of the United States in organizations such as the Nonaligned Movement and the OAU. This support contrasts sharply with such countries as Mozambique and Zimbabwe, especially with the latter, whose verbal attacks on the United States have increased despite a sizable U.S. assistance program there.

In addition to IMET grant assistance, the Committee strongly recommends that Gabon receive FMS assistance in recognition of their support and in appreciation of their contribution toward U.S. interests in Africa. The Committee directs the Department of Defense to provide increased IMET funding for Gabon in fiscal year 1987.

The Committee recommends the appropriation of $65,000,000 for the IMET Program

The following graphs detail the amount provided for this program in both current and constant dollars since fiscal year 1978:



A/ Includes $0.8 million of funding provided under MAP section 506(a) drawdown authority.

B/ Includes $3.2 million of funding provided under MAP section 506(a) drawdown authority.

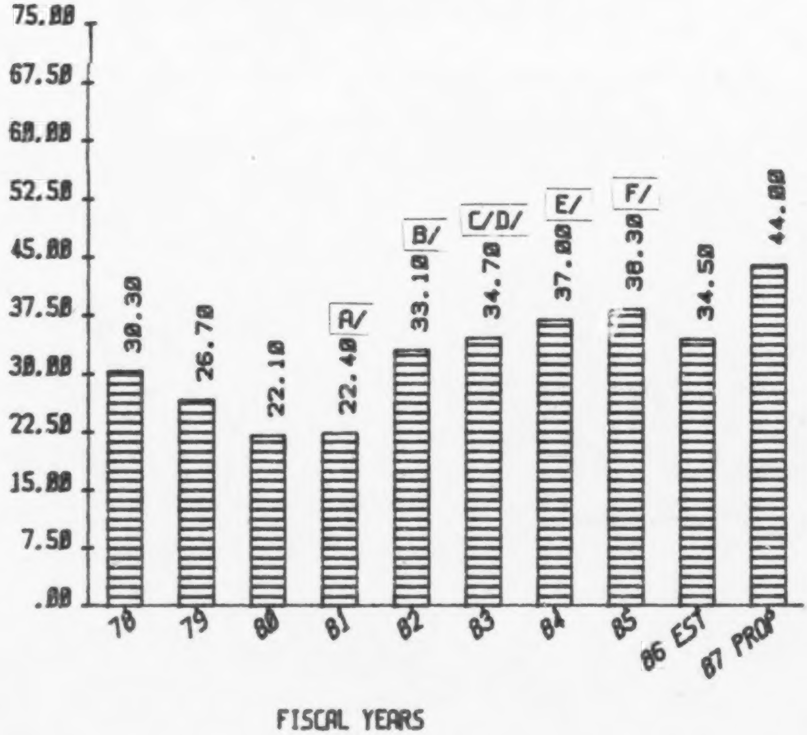
C/ Includes a supplemental of $1 million.

D/ Includes $3.8 million of funding provided under MAP section 506(a) drawdown authority.

E/ Includes $2.1 million of funding provided under MAP section 506(a) drawdown authority.

F/ Includes $0.5 million of funding provided under MAP section 506(a) drawdown authority.

INTERNATIONAL MILITARY EDUCATION & TRAINING PROGRAM
FY 1978-1987
MILLIONS OF CONSTANT FY 1979 DOLLARS



A/ Includes $0.6 million of funding provided under MAP section 506(a) drawdown authority.

B/ Includes $2.4 million of funding provided under MAP section 506(a) drawdown authority.

C/ Includes a supplemental of $0.7 million.

D/ Includes $2.8 million of funding provided under MAP section 506(a) drawdown authority.

E/ Includes $1.5 million of funding provided under MAP section 506(a) drawdown authority.

F/ Includes $0.3 million of funding provided under MAP section 506(a) drawdown authority.

## FOREIGN MILITARY CREDIT SALES

| | |
|---|---|
| Appropriation, 1986 | $5,190,000,000 |
| Appropriation, 1986 adjusted | 4,966,830,000 |
| Budget request, 1987 | 5,611,000,000 |
| House allowance | 4,264,744,284 |
| Committee recommendation | 4,922,523,284 |

The Foreign Military Credit Sales [FMS] Financing Program is utilized by friends and allies of the United States to purchase U.S. military equipment, spare parts, and training. This program has been a mainstay of U.S. security assistance since shortly after the Korean War, having originated in the Mutual Security Act of 1954. From that time, the program has accelerated, while the Military Assistance Program became less important due to the improved economic capabilities of the countries which receive this type of assistance. However, the world economic situation in the late 1970's and now in the 1980's has again required more concessional and grant terms.

As initially discussed under the section of the report which examines the budgetary constraints on foreign assistance, the Committee is recommending a fundamental change in the foreign assistance program by eliminating the MAP grant program and providing instead authority for an all grant program under Foreign Military Credit Sales. In addition to the need to recommend such reform for budgetary reasons, the Committee would again note that the FMS debt of countries which have received assistance under this program has become a burden to many of the countries on which we depend for mutual security. In fact, in many instances we face possible default of that debt, an event which would be very costly to the U.S. taxpayer. The all grant FMS program, in addition to alleviating budgetary pressures, will provide the administration with sufficient quality resources to undertake a military assistance program which otherwise would not be possible under the budget allocations provided to this Committee for this purpose. The third element of the Committee's recommendation with respect to U.S. military assistance programs is reform. In the fiscal year 1986 legislation on foreign assistance, section 551 of the general provisions, Congress declared that "it would be in the best interests of our friends and allies to alleviate their debt burdens brought about by past loans and to bring about a more streamlined and straightforward approach to their programs in this area" and "such streamlined, straightforward programs would make it easier to develop country programs and would ease current pressures on the United States to grant to aid receipients the most favorable terms on their military loan program." The Committee's proposal does just that.

It is important to point out, especially in anticipation of criticism that we are providing grant assistance to some countries which can afford loans, that the loans heretofore provided under FMS, in fact, carry a significant grant element in them. If at a later time, under different budgetary constraints and different economic conditions in those countries which receive this assistance, Congress should desire to go back to Treasury or concessional loans under FMS, it will be able to do so within existing authorization and under this account. This would not be possible under the MAP account and that is, therefore, one of the reasons, why the Committee recommends elimination of that program.

### ADDITIONAL REFORMS NEEDED

The Committee has in the past expressed its concern about the high levels of Foreign Military Sales debt held by several friendly countries, including such key friends as Israel, Egypt, and Turkey. The Committee, out of its concern that these loans pose a potential threat to the security interests of the United States and its allies, believes that the administration should act creatively to do what it can to ease these burdens.

The Committee notes that there are existing authorities which the executive branch can use to help reduce the burden of these debts. For example, the Defense Security Assistance Agency has the authority to negotiate amendments to loan agreements and through this process delete provisions requiring penalty interest on loans more than 60 days overdue.

The Committee recognizes that penalty interest is normally a useful incentive for ensuring that countries make debt repayments on schedule. However, in the case of countries like Egypt whose economic crisis makes on-time payments an impossibility, the penalty simply makes it more difficult for Egypt to meet payments. For this reason, the Committee believes that it is contrary to the national security interests of the United States to charge penalty interest on these loans.

The Committee urges the Director of the Defense Security Assistance Agency to study the ways in which he can use existing authorities, including the authority to negotiate amendments to loan agreements, to help alleviate the burden of FMS debt payments on friendly countries, including Israel and Egypt. The Committee directs the Director of the Defense Security Assistance Agency to report to the Committee on his uses of existing authorities and on further authorities which Congress could grant to provide greater flexibility in resolving the issue of FMS debt.

The Committee recommends approval of $4,922,523,284 for the FMS Program.

*El Salvador.*—The Committee has followed the progress of the Government of El Salvador in combatting the problems of corruption in its military and executive branches. For this reason, the Committee is disturbed by findings of the U.S. district court in the case of *United States of America* v. *Darlene Straiton and John F. Fodor* that two members of the Salvadoran Armed Forces, Col. Jorge Rivera and Col. Elmer Gonzalez Araujo, were involved in the 1983 sale to the Salvadoran Army of defective Yugoslav-made ammunition under a $4,800,000 contract financed with United States aid money. The purchase of Yugoslav ammunition with United States foreign assistance is criminal according to United States law; and the sale of faulty ammunition to the Salvadoran Government is tantamount to treason, jeopardizing the lives of Salvadoran soldiers. As an indicator of the commitment of the Government of El Salvador to act against internal corruption, the Committee will closely monitor whether appropriate disciplinary action is taken by the Salvadoran military against Colonels Rivera and Araujo or whether these two officers are brought to justice by civilian authorities. Furthermore, the Committee urges appropriate military and civilian authorities to investigate allegations that Colonel Araujo ordered the 1983 massacre of Indian peasants at Los Hojas.

*Greece/Turkey.*—The Committee is also recommending earmarks for Turkey at $490,000,000, and Greece at $343,000,000. This level of assistance thus provides funding recommendations based on the historic 7-to-10 ratio which Congress has consistently supported.

The Committee is deeply disturbed about the continued presence of large numbers of Turkish troops on the island of Cyprus and the fact that the parties have not agreed upon a fair settlement of all issues in the Cyprus dispute. The Committee will not remove its focus from this dispute until it is resolved in a just manner. The Committee strongly encourages the officials of the Republic of Cyprus and the Turkish Cypriot minority to make every attempt to work with the U.N. Secretary General to find a fair solution. The Committee is supportive of a settlement that protects minority rights and also a democracy's essential principle of majority rule. The Committee believes that if the present official and internationally recognized Government of Cyprus is to give up that recognition to a new agreed upon government the withdrawal of Turkish troops must be a reality.

Consequently, the Committee calls upon all parties to the dispute, specifically Greek Cypriots and Turkish Cypriots, as well as the governments in Athens and Ankara, to rededicate themselves to the quest for a political solution which will reunify Cyprus. A resumption of discussions under the auspices of the U.N. Secretary General might be the most productive way of renewing this effort.

Before those talks resume, the Committee suggests that a cooling-off period take place, during which any actions detrimental to such a solution, which might have been taken over the past year, could be reversed. The Committee has received various reports on alleged misdeeds on the part of both sides to the dispute. We do not believe it would be constructive to repeat those charges here. We do take them seriously, however, and, therefore, the Comittee directs the Department of State to prepare, by March 1, 1987, a detailed report on the situation in Cyprus, noting specifically any partitive actions taken over the past year by either side and what steps might be taken to reverse these actions and, thereby contribute to the settlement of the dispute.

*Guatemala.*—The Committee believes that of any funds made available under this program to Guatemala, priority should be given for the procurement of mobile medical facilities. The Committee believes that mobile medical facilities are a worthwhile use of these funds.

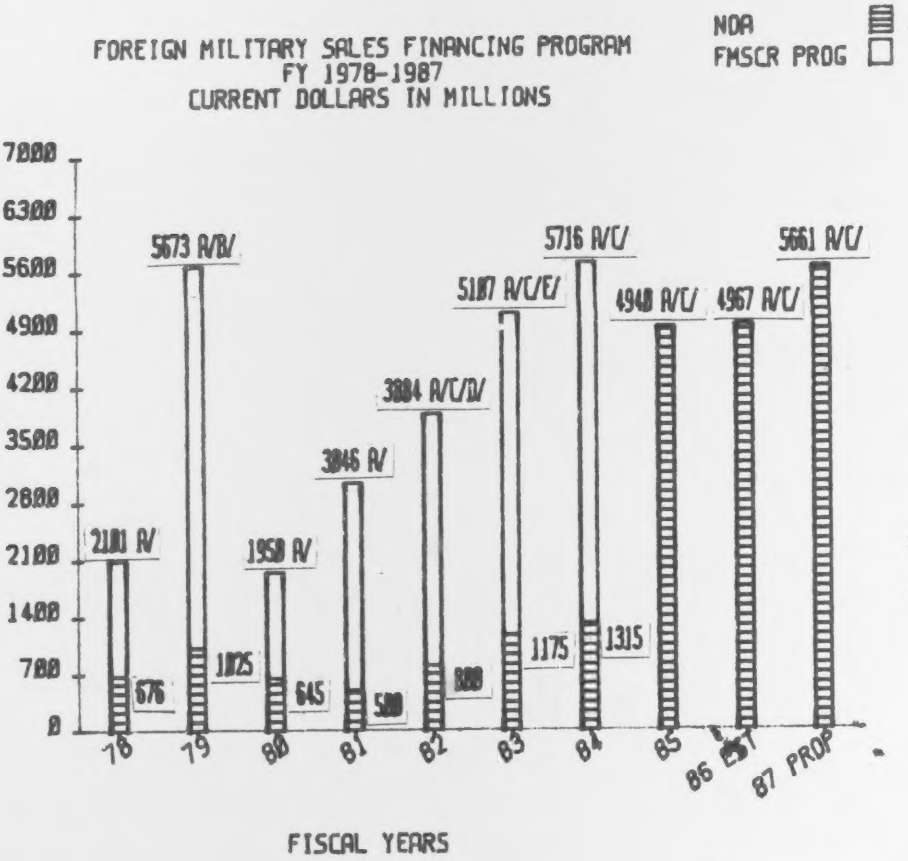
*Israel/Egypt.*—The Committee is again recommending earmarks totaling $1,800,000,000 for Israel, and $1,300,000,000 for Egypt under the FMS Program.

*LAVI Aircraft Program.*—The Committee has once again included language in the bill which allows for the support of the Israeli LAVI Aircraft Program, language which has been carried in the law for several years, and which is also recommended in the House-reported bill. In addition, the Committee is recommending bill language which provides that contracts pursuant to this provision which are reviewed by the Department of Defense may not be held up for reasons other than those entirely technical in nature. The term in the legislation "applicable technical standards" is intended to refer only to such reviews or functions previously performed by DOD with reference to LAVI contracts and is not intended that any additional reviews or functions be performed as a result of this language. The Committee is recommending this language because of recent actions by the Department of Defense. The Committee has received information indicating that DOD withheld approval of certain LAVI contracts in order to bring pressure on Israel for policy considerations without authorization or consultation with Congress. Such action by the Department of Defense can only lead to difficulty between the United States and this very important ally.

*South Korea.*—It is the sense of the Committee that future funding of assistance to South Korea will be facilitated as the Government of Korea continues its efforts to move toward democratic elections and a peaceful transfer of power in 1988. Clearly, the Committee would be more receptive to future requests for assistance to Korea as the Government of South Korea proceeds toward full democratic freedoms, and adherence to human rights principles as set forth in the Foreign Assistance Act. The Committee will expect periodic reports from the executive branch on South Korean progress in this regard.

*Management costs.*—The authority to transfer up to $39,100,000 of the funds provided for FMS to the "MAP" account for purposes of section 515 provides the administration with flexibility to fund the costs of overseas management of assistance and sales programs under the same authorities and procedures as in the past. All other general costs incurred in the management of the military assistance and sales programs, which in the past were included in amounts appropriated to the "MAP" account, shall be available from the FMS appropriation without requirement of transfer, subject to a maximum for fiscal year 1987 for all such other management costs of $5,000,000.

The following graphs detail the amount provided for this program in both current and constant dollars since fiscal year 1978:



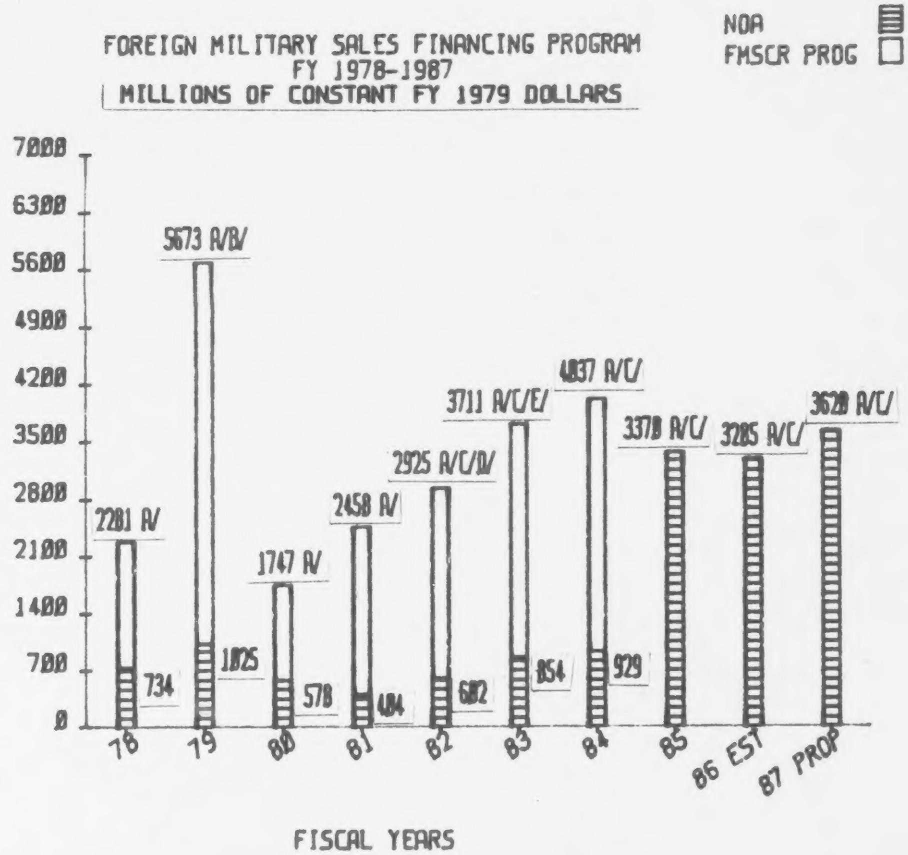
A/ Includes nonreimbursable financing for Israel as follows: Fiscal year 1978 to 1981, $500 million annually; fiscal year 1982, $550 million; fiscal year 1983, $750 million; fiscal year 1984, $850 million; fiscal year 1985, $1,400 million; fiscal year 1986, $1,722.6 million; fiscal year 1987, $1,800 million.

B/ Includes supplemental authorization of $1.5 billion for Egypt and $2.2 billion for Israel.

C/ Includes nonreimbursable financing for Israel as follows: Fiscal year 1982, $200 million; fiscal year 1983, $425 million; fiscal year 1984, $465 million; fiscal year 1985, $1,175 million; fiscal year 1986, $1,244 million; fiscal year 1987, $1,300 million.

D/ Includes $50 million nonreimbursable financing for Sudan.

E/ Includes a supplemental of $293.5 million.



A/ Includes nonreimbursable financing for Israel as follows: Fiscal year 1978, $542.9 million; fiscal year 1979, $500 million; fiscal year 1980, $448 million; fiscal year 1981, $403.6 million; fiscal year 1982, $414.2 million; fiscal year 1983, $545.1 million; fiscal year 1984, $600.3 million; fiscal year 1985, $955 million; fiscal year 1986, $1,139.3 million; fiscal year 1987, $1,150.9 million.

B/ Includes supplemental authorization of $1.5 billion for Egypt and $2.2 billion for Israel.

C/ Includes nonreimbursable financing for Israel as follows: Fiscal year 1982, $150.6 million; fiscal year 1983, $308.9 million; fiscal year 1984, $328.4 million; fiscal year 1985, $955 million; fiscal year 1986, $1,139.3 million; fiscal year 1987, $1,150.9 million.

D/ Includes $37.7 million nonreimbursable financing for Sudan.

E/ Includes a supplemental of $213.3 million.

The proposed FMS Program is detailed in the following chart by region and country:

## FOREIGN MILITARY SALES FINANCING PROGRAM—BUDGET AUTHORITY/OBLIGATIONS

[In thousands of dollars]

| | Actual fiscal year 1985 | | | Estimated fiscal year 1986 | | | Proposed fiscal year 1987 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Treasury | Concessional | Total | Treasury | Concessional | Total | Treasury | Concessional | Total |
| East Asia and Pacific: | | | | | | | | | |
| Indonesia | 12,500 | 20,000 | 32,500 | 0 | 19,140 | 19,140 | 0 | 35,000 | 35,000 |
| Korea | 230,000 | 0 | 230,000 | 162,690 | 0 | 162,690 | 230,000 | 0 | 230,000 |
| Malaysia | 4,000 | 0 | 4,000 | 1,914 | 0 | 1,914 | 5,000 | 0 | 5,000 |
| Philippines | 0 | 15,000 | 15,000 | 0 | 14,355 | 14,355 | 0 | 50,000 | 50,000 |
| Thailand | 95,000 | 0 | 95,000 | 42,347 | 38,184 | 80,531 | 42,500 | 61,000 | 103,500 |
| Regional total | 341,500 | 35,000 | 376,500 | 206,951 | 71,679 | 278,630 | 277,500 | 146,000 | 423,500 |
| Near East and South Asia: | | | | | | | | | |
| Egypt | 0 | 1,175,000 | [1] 1,175,000 | 0 | 1,244,100 | [1] 1,244,100 | 0 | 1,300,000 | [1] 1,300,000 |
| Israel | 0 | 1,400,000 | [1] 1,400,000 | 0 | 1,722,600 | [1] 1,722,600 | 0 | 1,800,000 | [1] 1,800,000 |
| Jordan | 42,500 | 47,500 | 90,000 | 19,140 | 62,205 | 81,345 | 50,000 | 65,000 | 115,000 |
| Morocco | 0 | 8,000 | 8,000 | 0 | 957 | 957 | 0 | 10,000 | 10,000 |
| Oman | 40,000 | 0 | 40,000 | 19,140 | 0 | 19,140 | 40,000 | 0 | 40,000 |
| Pakistan | 325,000 | 0 | 325,000 | 311,025 | 0 | 311,025 | 340,000 | 0 | 340,000 |
| Tunisia | 25,000 | 25,000 | 50,000 | 0 | 25,839 | 25,839 | 0 | 27,000 | 27,000 |
| Yemen | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,000 | 3,000 |
| Regional total | 432,500 | 2 655.500 | 3,088,000 | 349,305 | 3,055,701 | 3,405,006 | 430,000 | 3,205,000 | 3,635,000 |
| Europe and Canada: | | | | | | | | | |
| Greece | 242,000 | 258,000 | 500,000 | 83,546 | 347,104 | 430,650 | 500,000 | 0 | 500,000 |
| Portugal | 55,000 | 0 | 55,000 | 9,570 | 33,495 | 43,065 | 21,500 | 45,000 | 66,500 |
| Spain | 400,000 | 0 | 400,000 | 382,800 | 0 | 382,800 | 400,000 | 0 | 400,000 |
| Turkey | 235,000 | 250,000 | 485,000 | 79,288 | 330,165 | 409,453 | 145,000 | 455,000 | 600,000 |
| Regional total | 932,000 | 508,000 | 1,440,000 | 555,204 | 710,764 | 1,265,968 | 1,066,500 | 500,000 | 1,566,500 |

See footnote at end of table.

FOREIGN MILITARY SALES FINANCING PROGRAM—BUDGET AUTHORITY/OBLIGATIONS—Continued

[In thousands of dollars]

| | Actual fiscal year 1985 | | | Estimated fiscal year 1986 | | | Proposed fiscal year 1987 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Treasury | Concessional | Total | Treasury | Concessional | Total | Treasury | Concessional | Total |
| Africa: | | | | | | | | | |
| Botswana | 0 | 5,000 | 5,000 | 0 | 0 | 0 | 0 | 2,000 | 2,000 |
| Cameroon | 0 | 5,000 | 5,000 | 0 | 0 | 0 | 7,000 | 0 | 7,000 |
| Gabon | 0 | 0 | 0 | 0 | 0 | 0 | 5,000 | 0 | 5,000 |
| Regional total | 0 | 10,000 | 10.000 | 0 | 0 | 0 | 12,000 | 2,000 | 14,000 |
| American Republics: | | | | | | | | | |
| Colombia | 0 | 0 | 0 | 9.570 | 0 | 9,570 | 0 | 10,000 | 10,000 |
| Dominican Republic | 0 | 3,000 | 3,000 | 0 | 0 | 0 | 0 | 3,000 | 3,000 |
| Ecuador | 2,000 | 2,000 | 4,000 | 1,914 | 1,914 | 3,828 | 0 | 0 | 0 |
| El Salvador | 0 | 10,000 | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Panama | 0 | 0 | 0 | 0 | 3,828 | 3,828 | 0 | 4,000 | 4,000 |
| Peru | 3,000 | 5,000 | 8,000 | 0 | 0 | 0 | 0 | 5,000 | 5,000 |
| Regional total | 5,000 | 20,000 | 25,000 | 11,484 | 5,742 | 17,226 | 0 | 22,000 | 22,000 |
| Worldwide total | 1,711,000 | 3.228,500 | 4.939,500 | 1,122,944 | 3,843,886 | 4,966,830 | 1,786,000 | 3,875,000 | 5,661,000 |

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[1] Repayment forgiven.

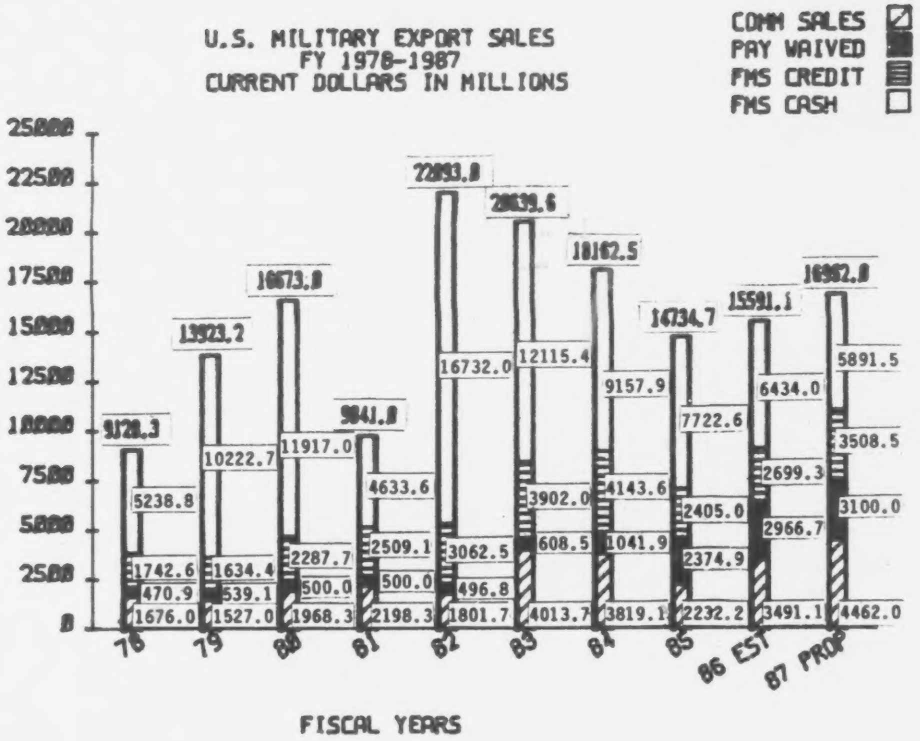
The administration proposed to finance the fiscal year 1987 Foreign Military Sales Credit Program in the following manner:

FOREIGN MILITARY SALES FINANCING PROGRAM

[In thousands of dollars]

| | Actual fiscal year 1985 | Estimated fiscal year 1986 | Proposed fiscal year 1987 |
|---|---|---|---|
| Foreign Military Sales Financing Program | 4,939,500 | 4,966,830 | 5,661,000 |
| Repayment forgiven for Israel | (1,400,000) | (1,722,600) | (1,800,000) |
| Repayment forgiven for Egypt | (1,175,000) | (1,244,100) | (1,300,000) |
| Other concessional rate loans | (653,500) | (877,186) | (775,000) |
| Treasury rate loans | (1,711,000) | (1,122,944) | (1,786,000) |
| Budget authority (appropriation) | 4,939,500 | 4,966,830 | 5,661,000 |
| Outlays | 2,274,726 | 3,770,042 | 6,121,000 |

Following is a graph showing the relationship between Foreign Military Sales Credits to total U.S. military export sales in current and constant (1979) dollars:

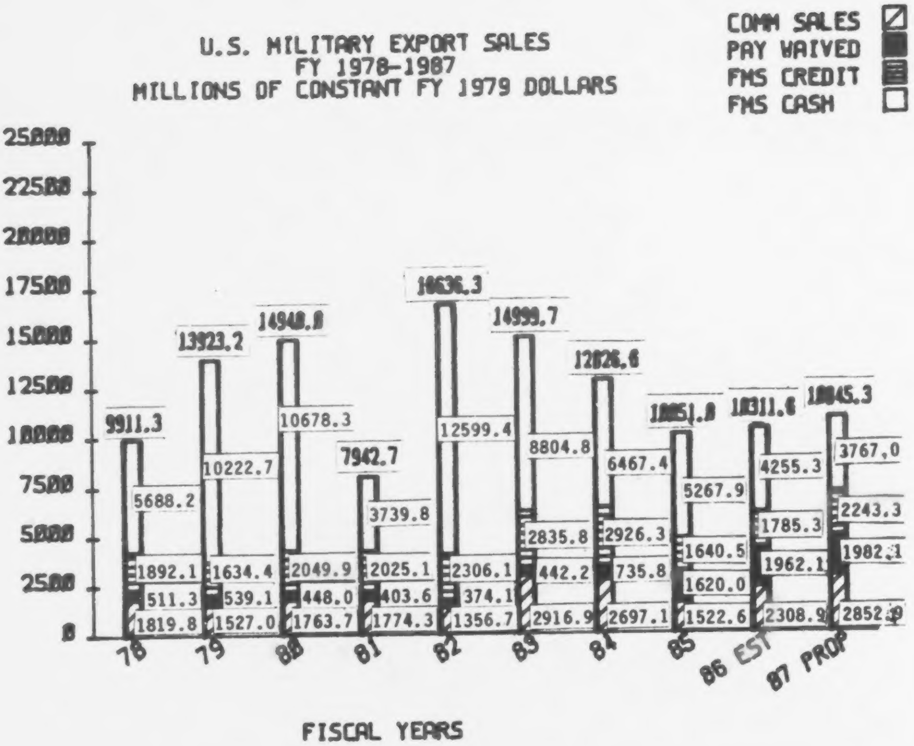


*Commercial sales.*—Deliveries (as distinguished from sales orders) by U.S. industries to foreign purchasers which are not administered by the Department of Defense. Data for fiscal year 1978 through fiscal year 1985 are based on value of exports to foreign countries and international organizations which licenses were issued by the Office of Munitions Control, Department of State.

*FMS sales payment waived.*—Represents amounts disbursed from direct loans for which repayment has been waived, extended pursuant to the provisions of the Arms Export Control Act, in the current and/or prior years.

*FMS credit sales.*—Represents amounts disbursed from loans (direct, guaranteed and MAP merger) extended pursuant to the provisions of the Arms Export Control Act, in the current and/or prior years.

*FMS cash sales.*—Sales orders (as distinguished from deliveries) for which payment is made either "cash in advance" or, if the President so determines, within a reasonable period of time not to exceed 120 days after delivery of the article(s) or the rendering of service(s).



*Commercial sales.*—Deliveries (as distinguished from sales orders) by U.S. industries to foreign purchasers which are not administered by the Department of Defense. Data for fiscal year 1978 through fiscal year 1985 are based on value of exports to foreign countries and international organizations which licenses were issued by the Office of Munitions Control, Department of State.

*FMS sales payment waived.*—Represents amounts disbursed from direct loans for which repayment has been waived, extended pursuant to the provisions of the Arms Export Control Act, in the current and/or prior years.

*FMS credit sales.*—Represents amounts disbursed from loans (direct, guaranteed and MAP merger) extended pursuant to the provisions of the Arms Export Control Act, in the current and/or prior years.

*FMS cash sales.*—Sales orders (as distinguished from deliveries) for which payment is made either "cash in advance" or, if the President so determines, within a reasonable period of time not to exceed 120 days after delivery of the article(s) or the rendering of service(s).

## SPECIAL DEFENSE ACQUISITION FUND

| | |
|---|---|
| Appropriation, 1986 | ($325,000,000) |
| Appropriation, 1986 adjusted | (311,025,000) |
| Budget request, 1987 | (350,000,000) |
| House allowance | (280,820,000) |
| Committee recommendation | (350,000,000) |

The purpose of the Special Defense Acquisition Fund [SDAF] is to finance the acquisition of defense articles and defense services in anticipation of their transfer pursuant to the Arms Export Control Act, the Foreign Assistance Act of 1961, or as otherwise authorized by law to eligible foreign countries and international organizations. Having this fund enables the President to react to foreign policy requirements on an urgent basis; provides an effective means to assist in smoothing rates of production; and reduces procurement lead times for delivery of weapons systems to foreign governments.

The Committee notes that its support of this program is predicated on its use as originally presented to the Committee, and not as a mechanism for procurement of defense articles which are intended only for the U.S. services.

The Committee recommends $350,000,000, the budget request.

# TITLE IV

## EXPORT ASSISTANCE

## EXPORT-IMPORT BANK

| | |
|---|---|
| Fiscal year 1986 appropriation: | |
| Limitation on direct loans | ($1,110,000,000) |
| Limitation on guarantee commitments | (12,000,000,000) |
| Limitation on administrative expenses | (18,357,000) |
| Total | (13,128,357,000) |
| Fiscal year 1986, adjusted: | |
| Limitation on direct loans | (1,062,270,000) |
| Limitation on guarantee commitments | (11,484,000,000) |
| Limitation on administrative expenses | (17,568,000) |
| Total | (12,563,838) |
| Fiscal year 1987 budget request: | |
| Limitation on direct loans | |
| Limitation on guarantee commitments | (12,000,000,000) |
| Limitation on administrative expenses | (19,175,000) |
| Total | (12,019,175,000) |
| Fiscal year 1987 House allowance: | |
| Limitation on direct loans | (900,000,000) |
| Limitation on guarantee commitments | (11,350,000,000) |
| Limitation on administrative expenses | (17,568,000) |
| Total | (12,267,568,000) |
| Fiscal year 1987 Committee recommendation: | |
| Limitation on direct loans | (900,000,000) |
| Limitation on guarantee commitments | (12,000,000,000) |
| Limitation on administrative expenses | (19,175,000) |
| Total | (12,919,175,000) |

The continuing string of record trade deficits is raising concern about the future of our national economy. With one out of every six manufacturing jobs and one out of every four farm acres planted in the United States dependent on exports, it is critical that we have free and fair trade in both existing and developing markets. It is the nature of the large and dynamic U.S. economy that it is more sensitive to changes in international trade than most. An inability to export not only limits economic growth, but also limits the ability of the United States to be a leader of democracy.

Much of our trade imbalance has been due to macroeconomic factors. Although exchange rates have adjusted to more rational levels, U.S. trade balances have failed to rebound as many expected. Export markets have shrunk because of low growth rates in developed countries and because of debt problems in developing countries.

The result of the current world trade environment has been to pressure governments to protect their domestic markets and to intervene in external market transactions, thereby exacerbating the situation. There has been difficulty in both initiating and concluding trade negotiations. Also, the number of unfair trading cases against subsidization, dumping, and nontariff barriers has grown dramatically.

Export financing is a serious example of where unfair foreign government actions have limited U.S. businesses' ability to compete. The predatory use of mixed credits in seizing business has escalated both in amount and scope. Financing is a critical area not only because it has an immediate effect on exports but because it has a long-term effect on the future market access of American companies. Our major competitors subsidize as much as 40 percent of their exports where the United States has countered with financing only 5 percent. In addition, foreign credit terms are often more generous and are offered more aggressively than by the Export-Import Bank.

In the face of growing trade problems, the Committee is concerned by the continuation of actions to deemphasize the Bank through budgetary manipulations. The Bank has yet to use all the resources at its disposal, or as aggressively as U.S. exporters need to compete. The Bank is trying to do away with the Direct Loan Program, and to inaugurate new programs which distance it from its primary mission of lending.

The effect of these combined actions would be to undermine the credibility of U.S. financing by limiting policy options, making it more costly, and possibly crowding out private lending. The Bank has been too rigid in its policies, to the point where many prospective contracts are never brought to it for consideration. Such a situation sends the wrong signal to those on the other side of the negotiating table from us.

The need for a strong Export-Import Bank is clear. The Committee wants to ensure that the Bank's practices can compete in the current trade environment. Given resource constraints, greater flexibility and speed are called for in offering terms for financing. Foreign protectionist and market distorting actions need to be preempted before further damage to U.S. exporters is done and the benefits of economic recovery in the rest of the world are forever lost.

The Committee hopes that the Bank will be allowed to concentrate on helping American exporters rather than on these internal politics. Any actions to do away with direct loans runs counter to attempts to remedy our trade problems.

It is hoped that the growing use of foreign government financing and mixed credits can be eliminated through negotiations. There have been promising results in some limited areas such as aircraft and nuclear power. In the meantime, the battle against these practices must be waged vigorously in order to send the necessary message to our trade competitors.

In recognition of the problems just discussed, the Committee is once again recommending a Direct Loan Program under the Export-Import Bank, though such a program was not requested. The Committee's recommendation for that program is $900,000,000. As well, the Committee is recommending the total budget request for the guarantee program of $12,000,000,000.

The Committee attempted, in order to save budgetary resources, to formulate an I-Match-like program, which could serve as a partial substitute for the Direct Loan Program but would be scored in the same manner as a guarantee. This effort was not successful, but the Committee would hope that in order to alleviate pressure on the other foreign assistance accounts, that the administration will endeavor to come up with such a proposal in fiscal year 1988, and if it cannot, then it should request a Direct Loan Program at least in the amount being provided in this legislation.

*Loan loss reserve.*—The Committee has not recommended the establishment of a loan loss reserve such as suggested in the House-reported legislation. The Bank's financial statements reflect adequately its financial position through its disclosure of details on its delinquencies, reschedulings, and writeoffs. The Bank also provides to the appropriate congressional committees information on its loan portfolio in connection with congressional oversight of the Bank's activities. As a wholly owned Government corporation, the Bank does not sell stock, take deposits or have any private ownership. Exporters, banks, and other financial institutions dealing with the Bank do not rely on the quality of Eximbank's loan assets, but rather on the fact that its obligations and commitments are backed by the full faith and credit of the U.S. Government. Moreover, establishing a reserve would require highly speculative judgments about the likelihood of individual countries repaying their indebtedness to the Bank, and the Committee is concerned that disclosures of such evaluations made by a U.S. Government agency could impair U.S. bilateral relations with these countries, create difficulties and uncertainty in the international financial community, and possibly jeopardize ultimate collection of the debt.

*War Chest Initiative.*—While the Committee is unable to provide funding for the administration's war chest proposal described elsewhere in this report, it has determined that tied aid credits cause significant lost sales for U.S. exporters and can be combatted through negotiations backed up by the ability of target tied aid credits against foreign exports.

For that purpose, the Committee has provided Eximbank with the flexibility to use part of its direct loan authority for offering tied aid credits. It is the Committee's intention that the grant element provided in tied aid credits would not cause a reduction in the Bank's capital base.

Under this provision of the bill, Eximbank would have the ability to make tied aid credits if the Chairman certified that the Bank was unable to fully utilize the budget authority available to it. The tied aid credits would have to be made according to the recommendations of the Secretary of the Treasury and in furtherance of negotiations being conducted by the Secretary. In short, the Committee is providing for a Fair Export Financing Program as requested by the administration, except that the maximum available is $150,000,000. The Committee directs, however, that any use of this authority be only for new tied aid credit cases, not for any such cases which are pending prior to the enactment of this legislation.

Any use of this flexibility by Eximbank would be subject to the regular notification procedures of the Appropriations Committee.

## FAIR EXPORT FINANCING PROGRAM

### (WAR CHEST INITIATIVE)

| | |
|---|---|
| Appropriation, 1986 | |
| Budget request, 1987 | $300,000,000 |
| House allowance | |
| Committee recommendation | |

For the past 5 years, the administration has been in negotiations with other industrialized countries to reduce export credit subsidies. Such subsidies distort prices and undermine the competitiveness of American exports. Through these negotiations, many types of subsidies have been eliminated or substantially reduced. However, as other subsidies were reduced, the use of tied aid credits, the combination of aid funds with normal export finance, has increased and has become an important problem for U.S. exporters.

In September 1985, the President identified tied aid credits with low concessionality as an unfair trade practice and announced the War Chest Initiative. To implement this initiative, the administration proposed legislation to establish a fund within the Treasury Department which would be used to target subsidized foreign exports in order to force negotiations on eliminating this trade practice.

Creation of the war chest facility would strengthen the U.S. bargaining position. Using the facility, the United States would initiate tied aid credits to disrupt key industrial sectors of the countries impeding negotiations. The result would be either to win exports for U.S. exporters or to strain the budgets of selected foreign competitors.

The administration has used Eximbank funds to make 12 offensive, targeted tied aid credit offers totaling $391,000,000, primarily against the French. Since launching this program, other OECD countries have changed their position on tied aid credits, suggesting that the program is effective in moving the negotiations forward.

With a new stage in the negotiations scheduled for October, the objective of the war chest program is to provide U.S. negotiators with the leverage to continue to press other countries to revise their positions.

The Committee supports this initiative, but because of the severe budgetary constraints contained in the budget resolution for fiscal year 1987, the Committee is unable to recommend any direct funding for this program. However, the Committee is recommending a reduced War Chest Initiative under the Export-Import Bank direct loan program.

## TRADE AND DEVELOPMENT PROGRAM

| | |
|---|---|
| Appropriation, 1986 | $18,900,000 |
| Appropriation, 1986 adjusted | 18,087,000 |
| Budget request, 1987 | 18,000,000 |
| House allowance | 16,331,000 |
| Committee recommendation | 20,000,000 |

The basic thrust of the Trade and Development Program [TDP] is to involve U.S. private sector firms in the early planning stages of programs and projects in order to improve their position as potential participants and suppliers in overseas development projects. The administration's proposed program for fiscal year 1987 will concentrate on agribusiness, telecommunications, and hazardous waste management projects. In addition, emphasis will be placed on projects in countries that historically do not receive U.S. development assistance, but are significant opportunities to foster trade, investment, and development such as Turkey, India, and China.

The Trade and Development Program has been highly successful in getting U.S. businesses involved in development projects and programs in Third World countries. Therefore, to show its support of this program, the Committee has recommended the appropriation of $20,000,000 for the TDP in fiscal year 1987.

## TRADE CREDIT INSURANCE PROGRAM

| | |
|---|---|
| Appropriation, 1986 | ($250,000,000) |
| Budget request, 1987 | (300,000,000) |
| House allowance | (250,000,000) |
| Committee recommendation | (300,000,000) |

The administration has requested $300,000,000 for the Trade Credit Insurance Program, which was established pursuant to the recommendations by the National Bipartisan Commission on Central America. Under the program, the Export-Import Bank provides short-term insurance, in turn guaranteed by the Agency for International Development, in support of exports from the United States to the private sectors in El Salvador, Honduras, Costa Rica, Guatemala, and Belize. Individual 1-year lines of credit in favor of banks in these countries have been opened by U.S. banks, with insurance provided pursuant to the program.

The Committee has been concerned about the delays in implementing the full authority of the TCIP, as well as the types of goods being purchased through this program. If this program is to be successful and fulfill its purpose of increasing productivity in the region, more attention must be paid to the types of goods being financed. The Committee is encouraged by the increased use of the program over the last year, and wishes to see the full authority utilized. The Committee is recommending $300,000,000 for the Trade Credit Insurance Program for fiscal year 1987, the budget request.

## GENERAL PROVISIONS

The following explains changes the Committee is recommending to general provisions contained in previous law, as well as new provisions recommended by the Committee:

SEC. 514.—Provisions similar to section 514, authorizing deobligation and reobligation of AID accounts, have been included in all recent appropriations acts. The proposed language, however, eliminates the requirement that reobligation be for the same general purpose and the same country to which the funds were originally obligated (or for the Andean region in which broader deobligation/reobligation authority was explicitly granted).

During periods of severe budgetary constraint, such as the present, it is necessary to maximize the value to the interests of the United States of each foreign assistance dollar. The availability of reobligation in the AID accounts promotes maximization of the benefits of foreign assistance. Where, as in the AID accounts, funds are obligated long before actual disbursement, it is possible to monitor the propriety of continuing a project and, where appropriate, postpone or cancel funding in the interests of good management. The authority to deobligate and reobligate promotes this monitoring and good management. This essential goal is furthered exponentially by authorizing the President to do worldwide that which he already can do both on a country-by-country basis and broadly within the Andean region, namely to direct our scarce foreign assistance dollars to their most important uses. As an example, the Committee notes that, if the President determined that the national interests required a freeze on further disbursements of funds obligated for Zimbabwe be continued, the President would, under existing language have no option but to leave the funds with Zimbabwe or redirect them to the Andean region, but only for the same general purposes. This is a waste of resources, a budgetary nonsequitur. Instead, under the proposed language, the funds could be deobligated and redirected to, for example Egypt, and used pursuant to existing AID authorities to furnish assistance on a grant basis to promote economic stability where the President determines that such assistance will promote the long-term development objectives of the United States with respect to that country.

While initiating this change to provide greater flexibility in the management and administration of foreign assistance resources, the Committee intends to maintain the integrity of appropriations accounts. The Congress appropriates development assistance funding for specific functional categories of assistance; it is proper that it give its consent to the transfer of funds appropriated to one account (for example Agriculture, Rural Development, and Nutrition, Development Assistance) for obligation under another account (for example Population, Development Assistance). This fundamental principle of the integrity of appropriations accounts is the underlying reason that the Congress has, in each of the past 8 fiscal years, required that funds may not be obligated under an appropriation account to which they were not appropriated without the prior written approval of the Appropriations Committees of both Houses of the Congress. In this bill, this requirement is set forth in section 513.

Accordingly, while section 514 permits, under the regular notification process, the reobligation of funds in a country other than that from which they were deobligated, the Committee sets a higher standard for the deobligation of funds from one account for subsequent reobligation under another. Section 514 permits such transfers only in accordance with the provisions of section 513 requiring prior written approval.

SEC. 519.—The Committee is recommending in this provision a change in restrictions on funding to multilateral development banks which have been carried in the legislation for a number of years. The revised provision would restrict funding to any multilateral development bank which did not provide, on request by a donor country representative, any material or documents developed by the management of any such institution. Heretofore, the limitation had reference only to U.S. representatives.

SEC. 527.—The Committee has included a new subsection under this provision dealing with the "Report to Congress on Voting Practices in the United Nations." This new subsection requires that this report be submitted to Congress in the identical format as in prior years. The Committee has been satisfied with the tables and number of key votes previously described in this report, and does not want any of these tables dropped nor key votes diminished in number. It has been brought to the Committee's attention that the Department of State has sought to change the nature of this report so that certain regions or countries "look better" in terms of this report. The Committee will not tolerate tampering with this report.

SEC. 540.—A recent U.N. Commission on Human Rights report on Afghanistan observes: "Continuation of the military solution will, in the opinion of the special rapporteur, lead inevitably to a situation approaching genocide, which the traditions and culture of this noble people cannot permit." The Committee recognizes that the Soviet presence in Afghanistan is directly responsible for the largest refugee population in the world, over 1 million casualties, and a humanitarian crisis of emergency proportions for hundreds of thousands of displaced Afghans. The Committee, therefore, has included a general provision, identical to that contained in the House-reported legislation, earmarking $30,000,000 in economic assistance (both development and Economic Support Funds) for humanitarian assistance to the Afghan people. It is the Committee's understanding that the Department of State currently has over $20,000,000 in proposed development assistance projects pending. It is the Committee's intention that $20,000,000 in development assistance funds be used, and that $10,000,000 in Economic Support Funds be used for these purposes.

SEC. 542.—The Committee has included a general provision, similar to that contained in the House-reported legislation, earmarking $5,000,000 in Economic Support Funds and military assistance for the Cambodian non-Communist resistance forces, in accordance with the limitations contained in authorization legislation.

SEC. 547.—The Committee has included language, similar to that recommended by the House-reported legislation, that prohibits any funds in this legislation from being available for any costs associated with the Government of Ethiopia's forced resettlement program. The Committee has added "or villagization" program to that prohibition. The Committee condemns the forced relocation and the villagization of Ethiopians. These two programs have caused hardship and death, the split-up of families, and has caused the exacerbation of conditions brought on by the severe drought in that country. The Committee applauds the actions of the administration in speaking out against these two programs, and adds its voice to the condemnation of the Government of Ethiopia's policies.

SEC. 548.—This section defines the term "program, project, and activity" as required for the proper implementation of the Balanced Budget and Emergency Deficit Control Act of 1985, as the aggregate of funds appropriated or otherwise made available for each title of this act. This definition allows the President discretion in determining the actual impact of budget sequestration on the individual activities covered by this act. This section also provides for comparable treatment of authorization and appropriation act earmarks.

The Committee is concerned that actions taken by the Budget Committees have provided unrealistically low levels available for foreign assistance programs. In this, the Committee concurs with the House Appropriations Committee which has noted that, "the funds recommended in [its] bill [do not] adequately meet the program needs for the U.S. Foreign Assistance Program." While the Committee cannot increase the resources available for this purpose, we believe it is absolutely essential to provide the administration the flexibility to implement as much of the President's program as possible. To this end, the Committee has included a definition of "program project, or activity" which would provide the administration with the flexibility to determine from which discrete activities it will sequester funds.

SEC. 549.—The Committee has included bill language waiving section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956, which prohibit the expenditure of funds absent specific authorization. This provision is necessary in order to protect appropriations for the Child Survival Fund, the African Development Foundation, Migration and Refugee Assistance, and the International Military Education and Training Program.

SEC. 550.—Each year the Committee requires the administration to submit various reports on items of interest to the Committee, and often has included bill language mandating certain reports. Considering the detail and research that goes into these reports, the Committee has been patient when reports have been late. However, the Committee's patience has run out. The Foreign Assistance and Related Programs Appropriations Act, 1986 (as enacted in Public Law 99–190) contained a requirement that the President submit a report on United Nations Voting Practices by January 31 of each year, or at the time of the transmittal by the President to the Congress of the annual presentation materials on foreign assistance, whichever is earlier. The requirement for this report was no surprise to the administration. Indeed, the Committee had required submission of this report the previous 2 years, and the information requested was readily available to the administration. The Committee verbally communicated its wishes to receive this report in a timely fashion, and finally formally corresponded with the administration on this matter. On May 3 the Committee was assured in writing by the Department of State that the report would be "submitted immediately." That report was finally received on June 24. This is totally unacceptable to the Committee. This example is the most blatant, but, unfortunately, far from the only instance in which reports have been unreasonably late. In addition, the Department of State is not the only guilty party. Other agencies under the jurisdiction of the Foreign Operations Subcommittee have been guilty of blatant disregard for Committee deadlines. The Committee has attempted to work with the administration on submission of reports; however, these attempts have been generally unsuccessful. Therefore, the Committee has included bill language that prohibits the obligation or expenditure of funds if a report required, by report or bill language, has not been received. The Committee regrets the necessity for this action, but feels the administration has left the Committee little choice but to compel the administration to follow the Committee's directives and to obey the law.

SEC. 551.—This provision would give the administration the authority to make available FMS loans under previous appropriations as forgiven loans rather than Treasury or Concessional. If the administration decides to utilize this authority, it must go through the regular reprogramming procedure. In addition, if the administration utilizes this authority, the Committee would expect that any budgetary impact which would occur would be spread out over several fiscal years.

SEC. 552.—Through this section, the formula for determining the minimum interest rate charged for Foreign Military Sales Credits would be changed. The existing formula, adopted during a period of interest rates exceeding 10 percent, authorizes the President to charge a concessional rate of not less than 5 percent. This provision allows the President the flexibility to offer some assistance to selected foreign governments in their purchases of defense materiel and services from U.S. sources. As a result of the recent substantial drop in interest rates, the formula has been rendered inadequate to meet this purpose. Therefore, the Committee proposes altering the formula, allowing the President to set concessional FMS credit interest rates at not below the lesser of one-half of the prevailing interest rates or 5 percent.

SEC. 553.—The Committee recommends a provision which repeals section 901(d) of the International Security and Development Cooperation Act of 1985 (Public Law 99–83). The Committee recommends this provision which has the effect of removing limitations on economic and military assistance to the Philippines. The Government of the Philippines has changed since the enactment of Public Law 99–83, and the new government ought not to be subject to limitations intended to influence the conduct of the previous government. Moreover, the Congress in approving additional assistance for the Philippines in Public Law 99–349, the Urgent Supplemental Appropriations Act of 1986, provided funds in excess of these limitations. Therefore, the Committee regards this as a technical correction.

SEC. 554.—The Committee has recommended language expressing the sense of the Congress that the U.S. Government should oppose all loans proposed to be provided by multilateral development institutions to the Government of Chile, except for those loans providing assistance in support of basic human needs, until the Government of Chile has ended its gross abuse of human rights and has taken significant steps to restore democracy in Chile.

SEC. 555.—The Committee has included language prohibiting the use of U.S. bilateral assistance for programs that would be in competition with U.S. farm producers. The language in the bill recommended by the Committee follows precisely legislation which was incorporated in Public Law 99–349, the intent of which is explained in the statement of managers accompanying the Conference Report 99–649. That statement explains that the prohibition applies only to: "(1) projects or activities that are specifically and principally designed to increase agricultural exports in developing countries that can reasonably be expected to cause substantial injury to U.S. exporters; (2) the production of such agricultural commodities for export that are deemed to be in direct competition with U.S. agricultural exports."

SEC. 556.—The Committee has included a new provision because the Committee is concerned that AID is funding activities to promote exports to the United States or third country markets of foreign manufactured articles that may harm trade-sensitive U.S. industry. For example, under an AID funded project in Sri Lanka, private consultants are preparing profiles of potenital investment in the manufacture of apparel accessories. In this instance, the foreign industry is receiving U.S. assistance for the specific and primary purpose of increasing exports, largely to the United States. The U.S. apparel industry has suffered serious harm as a result of increased imports. Support for developing economies, must be reconciled with U.S. trade policy. For example, under the generalized system of preferences, duty-free treatment is accorded certain imports from developing nations, but such treatment is not accorded to certain import-sensitive articles. In order to ensure that AID activities remain consistent with domestic trade policy, the Committee has provided that no funds shall be used to conduct feasibility studies, prefeasibility studies, or project profiles, related to the manufacture, for export to the United States or third country markets, of textile and apparel and certain other articles defined as import-sensitive under the generalized system of preferences program. In addition, any other activities designed specifically and primarily to assist in the establishment of a facility for the manufacture for export of such articles would be barred. By this provision, the Committee does not intend to restrict AID support for the manufacture of articles primarily for the recipient country's domestic market or for intraregional trade with countries not including the United States when such trade is not in competition with U.S. exports.

## COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE STANDING RULES OF THE SENATE

Paragraph 12 of Rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include "(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee."

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

The Committee recommends a provision which repeals section 901(d) of the International Security and Development Cooperation Act of 1985 (Public Law 99–83) as follows:

> (d) Amounts of Assistance.—Of the amounts authorized to be appropriated for each of the fiscal years 1986 and 1987—
>
> (1) to carry out the Arms Export Control Act (relating to foreign military sales financing), not more than $20,000,000 may be used for assistance for the Philippines;
>
> (2) to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), not more than $50,000,000 may be used for assistance for the Philippines; and
>
> (3) to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), $110,000,000 shall be available only for the Philippines.

The Committee recommends an amendment to section 23(c)(1) of the Arms Export Control Act, as follows:

(c)(1) The President shall charge interest under this section at such rate as he may determine, except that such rate may not be less than *one-half of market rate of interest or* 5 percent per year, *whichever is less.*

## COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE STANDING RULES OF THE SENATE

Paragraph 7 of Rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill "which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session."

This report accompanies a bill which has its origin in the Senate, and, therefore, the Committee does not believe that rule XVI, paragraph 7 applies in this case. However, if it did, three items lack authorization altogether. Those items are as follows: African Development Foundation, Child Survival Fund, Migration and Refugee Assistance, and International Education and Training Program.

### BUDGETARY IMPACT OF BILL

PREPARED BY THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

| | Budget authority | | Outlays | |
|---|---|---|---|---|
| | Committee allocation | Amount in bill | Committee allocation | Amount in bill |
| Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1987: Subcommittee on Foreign Assistance and Related Agencies | 13.0 | [1] 13,049 | 10.8 | [2] 10,800 |
| Projections of outlays associated with budget authority recommended in the bill: | | | | |
| 1987 | | | | [3] 5,065 |
| 1988 | | | | 3,176 |
| 1989 | | | | 1,765 |
| 1990 | | | | 1,038 |
| 1991 and future year | | | | 603 |
| Financial assistance to State and local governments for 1987 in the bill | | | | |
| | Direct loans | | Loan guarantees | |
| Credit authority estimates, fiscal year 1987 | 6.65 | 7,354 | 11.7 | 12,295 |

[1] Adjusted to conform with Committee estimates in allocations.

[2] Includes outlays from prior-year budget authority; adjusted to conform with Committee estimates in allocations.

[3] Excludes outlays from prior-year budget authority.

# COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987

[Amounts in dollars]

| Item | 1986 adjusted | Budget estimate | House allowance | Committee recommendation | Senate committee recommendation compared with (+ or -) | | |
|---|---|---|---|---|---|---|---|
| | | | | | 1986 adjusted | Budget estimate | House allowance |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| TITLE I - MULTILATERAL ECONOMIC ASSISTANCE | | | | | | | |
| FUNDS APPROPRIATED TO THE PRESIDENT | | | | | | | |
| International Financial Institutions | | | | | | | |
| World Bank Group | | | | | | | |
| Contribution to the International Bank for Reconstruction and Development: | | | | | | | |
| Paid-in capital.................................. | 105,002,549 | 182,845,991 | 94,805,000 | --- | -105,002,549 | -182,845,991 | -94,805,000 |
| Limitation on callable capital subscriptions.... | (1,353,220,096) | (2,105,188,054) | (1,169,261,667) | --- | (-1,353,220,096) | (-2,105,188,054) | (-1,169,261,667) |
| Total, contribution to the International Bank for Reconstruction and Development............ | (1,458,222,645) | (2,288,034,045) | (1,264,066,667) | --- | (-1,458,222,645) | (-2,288,034,045) | (-1,264,066,667) |
| Budget authority.......................... | 105,002,549 | 182,845,991 | 94,805,000 | --- | -105,002,549 | -182,845,991 | -94,805,000 |
| Limitation on callable capital............ | (1,353,220,096) | (2,105,188,054) | (1,169,261,667) | --- | (-1,353,220,096) | (-2,105,188,054) | (-1,169,261,667) |
| Contribution to the International Development Association (IDA VI)................................ | 669,900,000 | 750,000,000 | 604,844,000 | 622,623,251 | -47,276,749 | -127,376,749 | +17,779,251 |
| Contribution to the International Finance Corporation.......................................... | 27,827,390 | 35,033,000 | 25,125,000 | --- | -27,827,390 | -35,033,000 | -25,125,000 |
| Contribution to the Special Facility for Sub Saharan Africa.............................................. | 71,775,000 | --- | 64,805,000 | --- | -71,775,000 | --- | -64,805,000 |

## COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

[Amounts in dollars]

| Item | 1986 adjusted | Budget estimate | House allowance | Committee recom-mendation | Senate committee recommendation compared with (+ or −) | | |
|---|---|---|---|---|---|---|---|
| | | | | | 1986 adjusted | Budget estimate | House allowance |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Contribution to Multilateral Investment Guarantee Agency: | | | | | | | |
| Paid-in capital | --- | 44,403,116 | --- | --- | --- | -44,403,116 | --- |
| Limitation on callable capital | --- | (177,612,464) | --- | --- | --- | (-177,612,464) | --- |
| Total, contributions World Bank Group | (2,227,725,035) | (3,295,082,625) | (1,958,840,667) | (622,623,251) | (-1,605,101,784) | (-2,672,459,374) | (-1,336,217,416) |
| Budget authority | 874,504,939 | 1,012,282,107 | 789,579,000 | 622,623,251 | -251,881,688 | -389,658,856 | -166,955,749 |
| Limitation on callable capital | (1,353,220,096) | (2,282,800,518) | (1,169,261,667) | --- | (-1,353,220,096) | (-2,282,800,518) | (-1,169,261,667) |
| Contribution to the Inter-American Development Bank: | | | | | | | |
| Fund for special operations | 38,280,000 | 72,500,000 | 34,562,000 | --- | -38,280,000 | -72,500,000 | -34,562,000 |
| Inter-regional paid-in capital | 36,366,983 | 58,000,983 | 32,835,000 | --- | -36,366,983 | -58,000,983 | -32,835,000 |
| Inter-American Investment Corporation | 11,197,000 | 13,000,000 | --- | --- | -11,197,000 | -13,000,000 | --- |
| Limitation on callable capital subscriptions | (1,230,964,704) | (1,230,964,704) | (696,868,299) | --- | (-1,230,964,704) | (-1,230,964,704) | (-696,868,299) |
| Total, contribution to the Inter-American Development Bank | (1,316,808,687) | (1,374,465,687) | (764,265,299) | --- | (-1,316,808,687) | (-1,374,465,687) | (-764,265,299) |
| Budget authority | 85,843,983 | 143,500,983 | 67,397,000 | --- | -85,843,983 | -143,500,983 | -67,397,000 |
| Limitation on callable capital | (1,230,964,704) | (1,230,964,704) | (696,868,299) | --- | (-1,230,964,704) | (-1,230,964,704) | (-696,868,299) |
| Contribution to the Asian Development Bank: | | | | | | | |
| Paid-in capital | 11,397,408 | 13,232,676 | 10,291,000 | 13,232,676 | +1,835,268 | --- | +2,941,676 |
| Development fund | 95,700,000 | 130,000,000 | 86,406,000 | 108,900,524 | +13,200,524 | -21,099,476 | +22,494,524 |
| Limitation on callable capital subscriptions | (226,230,498) | (251,367,220) | (195,551,923) | (251,367,220) | (+25,136,722) | --- | (+55,815,297) |
| Total, contribution to the Asian Development Bank | (333,327,906) | (394,599,896) | (292,248,923) | (373,500,420) | (+40,172,514) | (-21,099,476) | (+81,251,497) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Budget authority | 107,097,408 | 143,232,676 | 96,697,000 | 122,133,200 | +15,035,792 | -21,099,476 | +25,436,200 |
| Limitation on callable capital | (226,230,498) | (251,367,220) | (195,551,923) | (251,367,220) | (+25,136,722) | --- | (+55,815,297) |
| Contribution to the African Development Fund | 59,573,000 | 75,000,000 | 53,788,000 | 62,827,225 | +3,254,225 | -12,172,775 | +9,039,225 |
| Contribution to the African Development Bank: | | | | | | | |
| Paid-in capital | 15,492,910 | 17,986,359 | 13,988,000 | --- | -15,492,910 | -17,986,359 | -13,988,000 |
| Limitation on callable capital | (48,564,032) | (53,960,034) | (41,980,980) | --- | (-48,564,032) | (-53,960,034) | (-41,980,980) |
| Total, contributions to the African Development Bank | (64,056,942) | (71,946,393) | (55,968,980) | --- | (-64,056,942) | (-71,946,393) | (-55,968,980) |
| Budget authority | 15,492,910 | 17,986,359 | 13,988,000 | --- | -15,492,910 | -17,986,359 | -13,988,000 |
| Callable capital | (48,564,032) | (53,960,034) | (41,980,980) | --- | (-48,564,032) | (-53,960,034) | (-41,980,980) |
| Total, contribution to International Financial Institutions | (4,901,491,570) | (5,211,094,601) | (3,125,111,869) | (1,058,950,896) | (-2,942,540,674) | (-4,152,143,705) | (-2,066,160,973) |
| Budget authority | 1,142,512,240 | 1,392,002,125 | 1,021,449,000 | 807,583,676 | -334,928,564 | -584,418,449 | -213,865,324 |
| Limitation on callable capital | (2,858,979,330) | (3,819,092,476) | (2,103,662,869) | (251,367,220) | (-2,607,612,110) | (-3,567,725,256) | (-1,852,295,649) |
| Department of State | | | | | | | |
| International organizations and programs | 265,971,475 | 186,000,000 | 238,995,000 | 236,074,000 | -29,897,475 | +50,074,000 | -2,921,000 |
| Total, contribution for Multilateral Economic Assistance, title I | (4,267,463,045) | (5,397,094,601) | (3,364,106,869) | (1,295,024,896) | (-2,972,438,149) | (-4,102,069,705) | (-2,069,081,973) |
| Budget authority | 1,408,483,715 | 1,578,002,125 | 1,260,444,000 | 1,043,657,676 | -364,826,039 | -534,344,449 | -216,786,324 |
| Limitation on callable capital | (2,858,979,330) | (3,819,092,476) | (2,103,662,869) | (251,367,220) | (-2,607,612,110) | (-3,567,725,256) | (-1,852,295,649) |
| TITLE II - BILATERAL ECONOMIC ASSISTANCE | | | | | | | |
| FUNDS APPROPRIATED TO THE PRESIDENT | | | | | | | |
| Agency for International Development | | | | | | | |
| Agriculture, rural development, and nutrition Development Assistance | 669,895,000 | 709,900,000 | 619,839,000 | 649,500,000 | -20,395,000 | -60,400,000 | +29,661,000 |
| Population, Development Assistance | 239,250,000 | 250,000,000 | 239,250,000 | 230,000,000 | -9,250,000 | -20,000,000 | -9,250,000 |
| Health, Development Assistance | 192,189,000 | 150,843,000 | 173,525,000 | 160,000,000 | -32,189,000 | +9,157,000 | -13,525,000 |

## COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

[Amounts in dollars]

| Item (1) | 1986 adjusted (2) | Budget estimate (3) | House allowance (4) | Committee recommendation (5) | Senate committee recommendation compared with (+ or –) | | |
|---|---|---|---|---|---|---|---|
| | | | | | 1986 adjusted (6) | Budget estimate (7) | House allowance (8) |
| Child Survival Fund | 23,925,000 | 25,000,000 | 50,000,000 | 75,000,000 | +51,075,000 | +50,000,000 | +25,000,000 |
| Education and human resources development, Development Assistance | 162,642,000 | 179,789,000 | 146,847,000 | 155,000,000 | -7,642,000 | -24,789,000 | +8,153,000 |
| Energy and selected development activities, Development Assistance | 166,862,000 | 217,210,000 | 135,657,000 | 145,000,000 | -21,862,000 | -72,210,000 | +9,343,000 |
| Science and technology, Development Assistance | 10,326,000 | 14,258,000 | 9,323,000 | 10,000,000 | -326,000 | -4,258,000 | +677,000 |
| Private sector revolving fund (by transfer) | (17,226,000) | (13,500,000) | (15,553,000) | (13,500,000) | (-3,726,000) | --- | (-2,053,000) |
| (Limitation on direct loans) | (18,000,000) | (15,000,000) | --- | --- | (-18,000,000) | (-15,000,000) | --- |
| Total, development assistance | 1,465,089,000 | 1,547,000,000 | 1,374,441,000 | 1,424,500,000 | -40,589,000 | -122,500,000 | +50,059,000 |
| American schools and hospitals abroad | 33,495,000 | 10,000,000 | 33,495,000 | 35,000,000 | +1,505,000 | +25,000,000 | +1,505,000 |
| International disaster assistance | 21,532,000 | 25,000,000 | 19,441,000 | 20,000,000 | -1,532,000 | -5,000,000 | +559,000 |
| Sahel development program | 77,038,000 | 80,000,000 | 69,557,000 | 70,000,000 | -7,038,000 | -10,000,000 | +443,000 |
| Payment to the Foreign Service Retirement and Disability Fund | 43,122,000 | 45,492,000 | 45,492,000 | 45,492,000 | +2,370,000 | --- | --- |
| AID deobligate/reobligate reappropriation | 5,000,000 | --- | 100,000,000 | 100,000,000 | +95,000,000 | +100,000,000 | --- |
| Operating expenses of the Agency for International Development | 360,167,000 | 388,900,000 | 340,600,000 | 340,600,000 | -19,567,000 | -48,300,000 | --- |
| Operating expenses of the Office of the Inspector General | 20,145,000 | 21,750,000 | 18,189,000 | 21,750,000 | +1,605,000 | --- | +3,561,000 |
| Housing and other credit guaranty programs: | | | | | | | |
| Loan reserve | --- | 10,000,000 | --- | --- | --- | -10,000,000 | --- |
| (Limitation on guaranteed loans) | (145,464,000) | --- | (145,464,000) | (145,464,000) | --- | (+145,464,000) | --- |
| Subtotal, Agency for International Development | 2,025,588,000 | 2,128,142,000 | 2,001,215,000 | 2,057,342,000 | +31,754,000 | -70,800,000 | +56,127,000 |

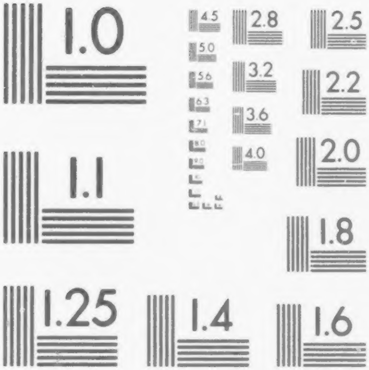
| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Economic support fund | 3,640,642,000 | 4,093,800,000 | 3,196,798,000 | 3,900,000,000 | +259,358,000 | -193,800,000 | +703,202,000 |
| Total, Agency for International Development | 5,666,230,000 | 6,221,942,000 | 5,198,013,000 | 5,957,342,000 | +291,112,000 | -264,600,000 | +759,329,000 |
| African Development Foundation | | | | | | | |
| Appropriations | 3,706,000 | 6,500,000 | 3,872,000 | 6,500,000 | +2,794,000 | --- | +2,628,000 |
| Inter-American Foundation | | | | | | | |
| Appropriations | 11,454,000 | 10,800,000 | 11,800,000 | 10,800,000 | -654,000 | --- | -1,000,000 |
| Overseas Private Investment Corporation | | | | | | | |
| (Limitation on direct loans) | (13,637,000) | (15,000,000) | (23,000,000) | (15,000,000) | (+1,363,000) | --- | (-8,000,000) |
| (Limitation on guaranteed loans) | (136,372,000) | (150,000,000) | (200,000,000) | (150,000,000) | (+13,628,000) | --- | (-50,000,000) |
| Total, Funds Appropriated to the President | 5,681,390,000 | 6,239,242,000 | 5,213,685,000 | 5,974,642,000 | +293,252,000 | -264,600,000 | +760,957,000 |
| Independent Agency | | | | | | | |
| Peace Corps | 124,410,000 | 126,200,000 | 130,000,000 | 130,000,000 | +5,590,000 | +3,800,000 | --- |
| Department of State | | | | | | | |
| International narcotics control | 55,055,000 | 65,445,000 | 65,445,000 | 65,445,000 | +10,390,000 | --- | --- |
| Migration and refugee assistance | 324,356,000 | 347,525,000 | 347,525,000 | 346,856,000 | +22,500,000 | -669,000 | -669,000 |
| United States Emergency Refugee and Migration Assistance Fund | --- | 25,000,000 | 25,000,000 | --- | --- | -25,000,000 | -25,000,000 |
| Anti-terrorism assistance | 11,941,000 | 9,840,000 | 9,840,000 | 9,840,000 | -2,101,000 | --- | --- |
| Peacekeeping operations | 32,538,000 | 39,000,000 | 29,378,000 | 34,000,000 | +1,462,000 | -5,000,000 | +4,622,000 |
| Total, Department of State | 423,890,000 | 486,810,000 | 477,188,000 | 456,141,000 | +32,251,000 | -30,669,000 | -21,047,000 |

## COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

[Amounts in dollars]

| Item (1) | 1986 adjusted (2) | Budget estimate (3) | House allowance (4) | Committee recommendation (5) | Senate committee recommendation compared with (+ or −) 1986 adjusted (6) | Senate committee recommendation compared with (+ or −) Budget estimate (7) | Senate committee recommendation compared with (+ or −) House allowance (8) |
|---|---|---|---|---|---|---|---|
| Total, title II, Economic assistance - bilateral: | | | | | | | |
| New budget (obligational) authority........ | 6,229,690,000 | 6,852,252,000 | 5,820,873,000 | 6,560,783,000 | +331,093,000 | -291,469,000 | +739,910,000 |
| (Limitation on direct loans)............... | (31,637,000) | (30,000,000) | (23,000,000) | (15,000,000) | (-16,637,000) | (-15,000,000) | (-8,000,000) |
| (Limitation on guaranteed loans)........... | (281,836,000) | (150,000,000) | (345,464,000) | (295,464,000) | (+13,628,000) | (+145,464,000) | (-50,000,000) |
| TITLE III - MILITARY ASSISTANCE | | | | | | | |
| FUNDS APPROPRIATED TO THE PRESIDENT | | | | | | | |
| Military Assistance................................... | 798,374,000 | 1,046,450,000 | 675,697,000 | --- | -798,374,000 | -1,046,450,000 | -675,697,000 |
| International Military Education and Training......... | 52,146,500 | 68,830,000 | 47,082,000 | 65,000,000 | +12,853,500 | -3,830,000 | +17,918,000 |
| Foreign Military Credit Sales: | | | | | | | |
| Direct credits and forgiven loans.................... | 4,966,830,000 | 5,611,000,000 | 4,264,744,284 | 4,922,523,284 | -44,306,716 | -688,476,716 | +657,779,000 |
| Special Defense Acquisition Fund (limitation on obligations)................................... | (311,025,000) | (350,000,000) | (280,820,000) | (350,000,000) | (+38,975,000) | --- | (+69,180,000) |
| Total, military assistance programs............. | 5,817,350,500 | 6,726,280,000 | 4,987,523,284 | 4,987,523,284 | -829,827,216 | -1,738,756,716 | --- |
| (Limitation on obligations)................. | (311,025,000) | (350,000,000) | (280,820,000) | (350,000,000) | (+38,975,000) | --- | (+69,180,000) |
| TITLE IV - EXPORT ASSISTANCE | | | | | | | |
| FUNDS APPROPRIATED TO THE PRESIDENT | | | | | | | |
| Agency for International Development | | | | | | | |
| Trade credit insurance program........................ | (250,000,000) | --- | --- | (300,000,000) | (+50,000,000) | (+300,000,000) | (+300,000,000) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Trade and development | 18,087,000 | 18,000,000 | 16,331,000 | 20,000,000 | +1,913,000 | +2,000,000 | +3,669,000 |
| Total, Agency for International Development | 18,087,000 | 18,000,000 | 16,331,000 | 20,000,000 | +1,913,000 | +2,000,000 | +3,669,000 |
| Department of the Treasury | | | | | | | |
| Fair Export Financing Program | --- | 300,000,000 | --- | --- | --- | -300,000,000 | --- |
| Total, Funds Appropriated to the President | 18,087,000 | 318,000,000 | 16,331,000 | 20,000,000 | +1,913,000 | -298,000,000 | +3,669,000 |
| EXPORT-IMPORT BANK OF THE UNITED STATES | | | | | | | |
| Limitation of Program Activity: | | | | | | | |
| (Limitation on direct loans) | (1,062,270,000) | --- | (900,000,000) | (900,000,000) | (-162,270,000) | (+900,000,000) | --- |
| (Limitation on guaranteed loans) | (11,484,000,000) | (12,000,000,000) | (11,350,000,000) | (12,000,000,000) | (+516,000,000) | --- | (+650,000,000) |
| (Limitation on administrative expenses) | (17,568,000) | (19,175,000) | (17,568,000) | (19,175,000) | (+1,607,000) | --- | (+1,607,000) |
| Total, Export-Import Bank of the United States, (limitations on use of corporate funds) | (12,563,838,000) | (12,019,175,000) | (12,267,568,000) | (12,919,175,000) | (+355,337,000) | (+900,000,000) | (+651,607,000) |
| Total, title IV, export assistance | 18,087,000 | 318,000,000 | 16,331,000 | 20,000,000 | +1,913,000 | -298,000,000 | +3,669,000 |
| RECAPITULATION | | | | | | | |
| Total, new budget (obligational) authority | 13,473,611,215 | 15,474,534,125 | 12,085,171,284 | 12,611,963,960 | -861,647,255 | -2,862,570,165 | +526,792,676 |
| Total, Export-Import Bank, new budget (obligational) authority | 1,062,270,000 | --- | 900,000,000 | 438,000,000 | -624,270,000 | +438,000,000 | -462,000,000 |
| Total NBOA (including Ex-Im) | 14,535,881,215 | 15,474,534,125 | 12,985,171,284 | 13,049,963,960 | -1,485,917,255 | -2,424,570,165 | +64,792,676 |
| Memoranda: | | | | | | | |
| (By transfer) | --- | --- | --- | --- | --- | --- | --- |
| (Limitation on obligations) | (311,025,000) | (350,000,000) | (280,820,000) | (350,000,000) | (+38,975,000) | --- | (+69,180,000) |
| (Limitation on guaranteed loans) | (11,765,836,000) | (12,150,000,000) | (11,695,464,000) | (12,295,464,000) | (+529,628,000) | (+145,464,000) | (+600,000,000) |
| (Limitation on direct loans) | (1,093,907,000) | (30,000,000) | (923,000,000) | (915,000,000) | (-178,907,000) | (+885,000,000) | (-8,000,000) |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